

High activity in a still challenging market

Profoto year-end report
2025

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Today's speakers

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Q4 summary

- **Net sales** decreased by 19 percent to SEK 163m (200). Currency effect was negative 9 percent:
 - Q4 showed some recovery from weak Q3, but still behind previous year.
 - Particularly weak demand in Americas.
- **Adjusted EBIT** was SEK 16m (52), corresponding to an EBIT margin of 10 percent (26).
 - Result is affected by the negative sales trend, but a lower cost base mitigates the effect.
 - Legal costs of SEK 7m incurred in Q2-Q4 but invoiced in Q4 put pressure on EBIT in the quarter.
- **LED launched** in late Q4, limited financial effect in the quarter as previously communicated.

Three key LED products started shipping late Q4

- With the introduction of our LED product range we are taking a clear strategic step in meeting changing customer demands to secure long-term growth.
- The L1600D, L600C and L600D all started shipping in late Q4, and had little impact on the sales outcome for the quarter.
- The ProPanel 3X2 is expected to start shipping in late Q1 2026 with financial effects from Q2 2026.

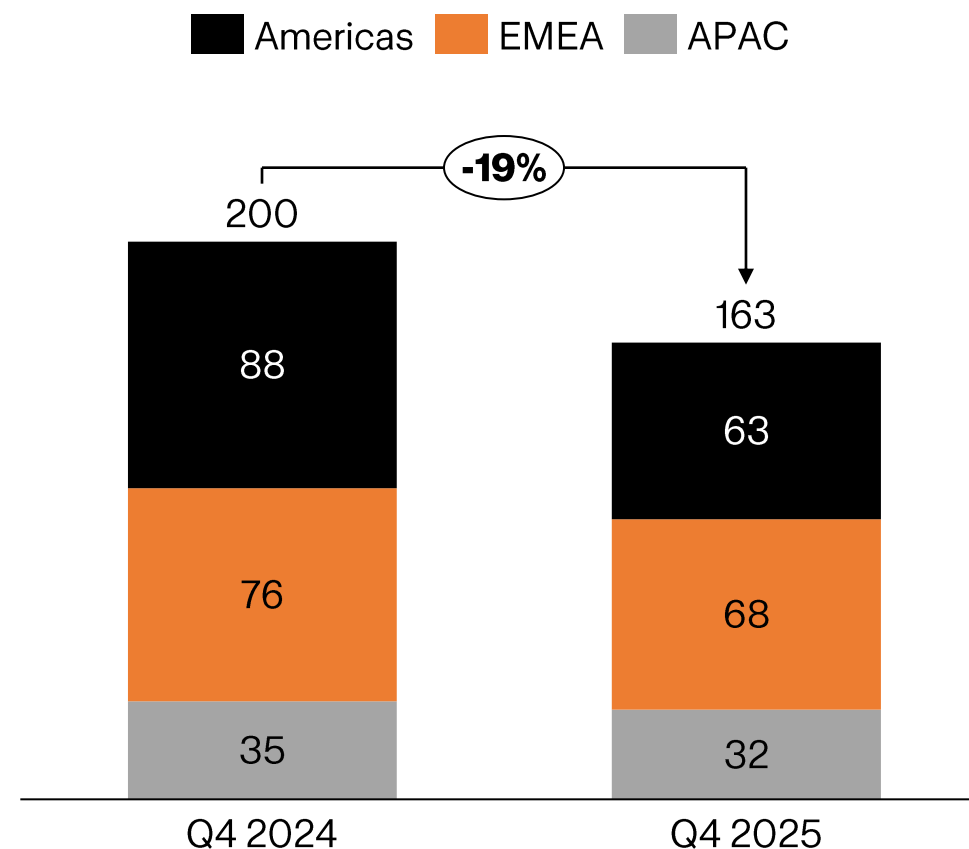


Half of 19% decline in sales from currency effects

Quarter

- Positive organic growth in APAC:
 - Positive organic growth, but negative currency effect dampens overall performance.
- Relatively stable demand in EMEA:
 - Stable demand compared with the previous quarter, despite an organic sales decrease of 7 percent
- USA demand continues to disappoint:
 - Cautious market prevails amid uncertain economic and political conditions

	Americas	EMEA	APAC	Group
Organic growth	-17.8%	-6.9%	1.3%	-9.3%
Currency effect	-10.5%	-4.6%	-11.3%	-9.3%
Total change	-28.2%	-11.5%	-9.9%	-18.6%

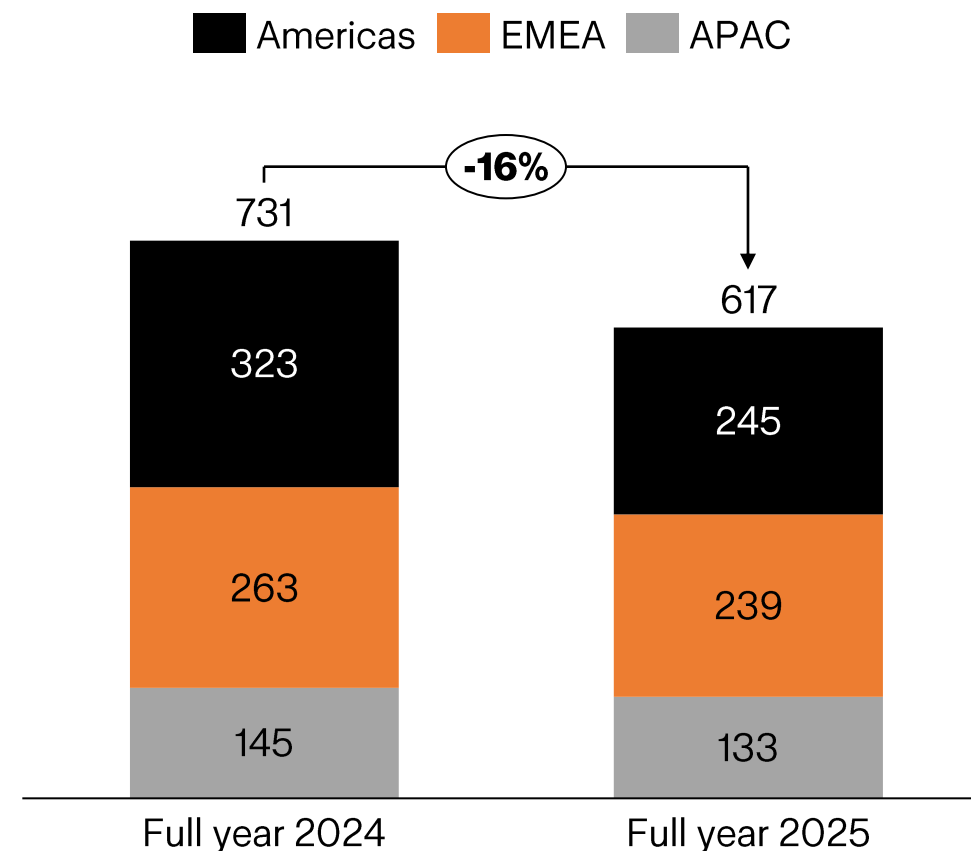


2025 showing the same geographical characteristics

Full year

- Sales throughout 2025 were negatively affected by significant trade policy and economic uncertainty, which led to weak demand, particularly in the USA.
- During the year, it was also noted that certain Asian players have continued to strengthen their positions in the market through aggressive pricing strategies and substantial discounts, further intensifying competition.

	Americas	EMEA	APAC	Group
Organic growth	-18.1	-5.8%	-1.5%	-10.4%
Currency effect	-5.9%	-3.7%	-6.4%	-5.2%
Total change	-24.0%	-9.5%	-7.8%	-15.6%



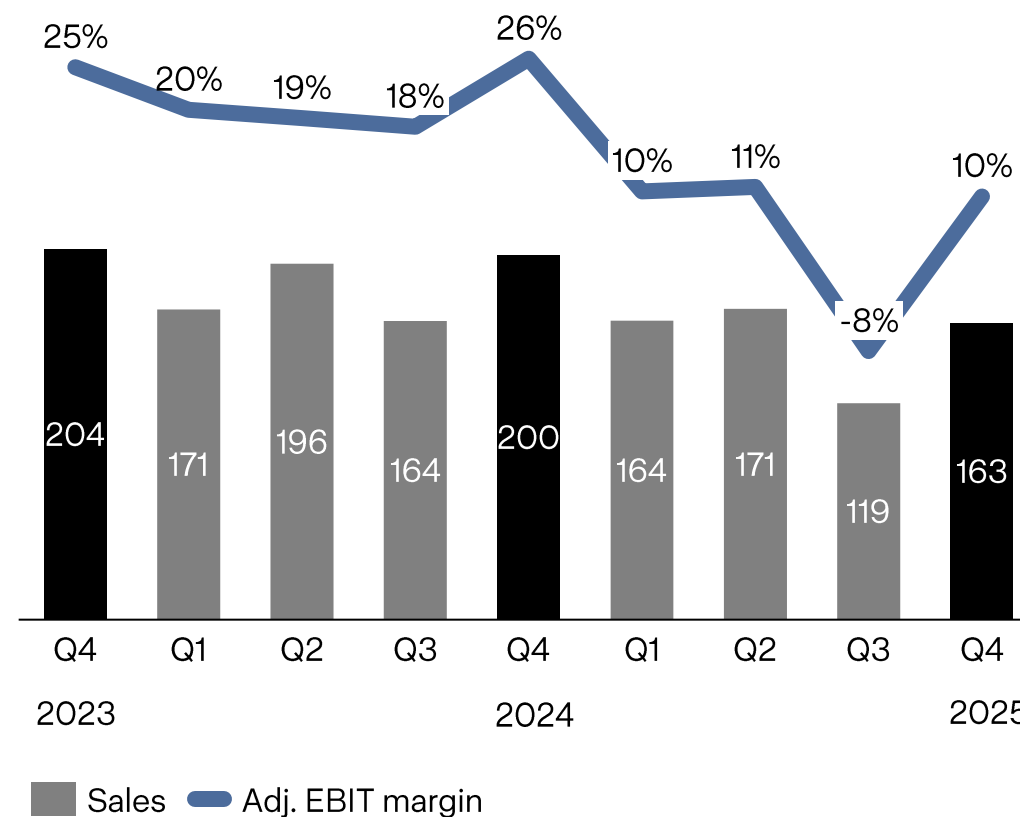
Q4 sales and EBIT a clear improvement from Q3

Q4 2025

Net sales
Q4
SEK 163(200)
-18.6%¹

Adj. EBIT
Q4
SEK 16(52)

Adj. EBIT margin
Q3
9.8% (26.0)



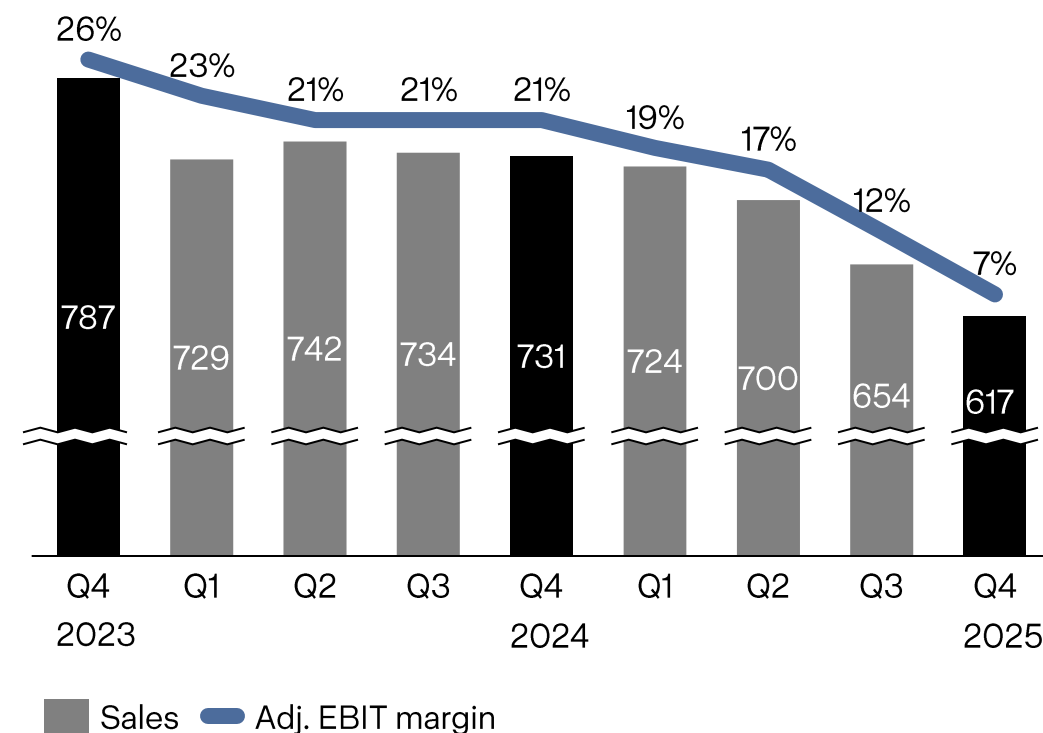
Net sales down 16%, adj. EBIT margin 6%

LTM

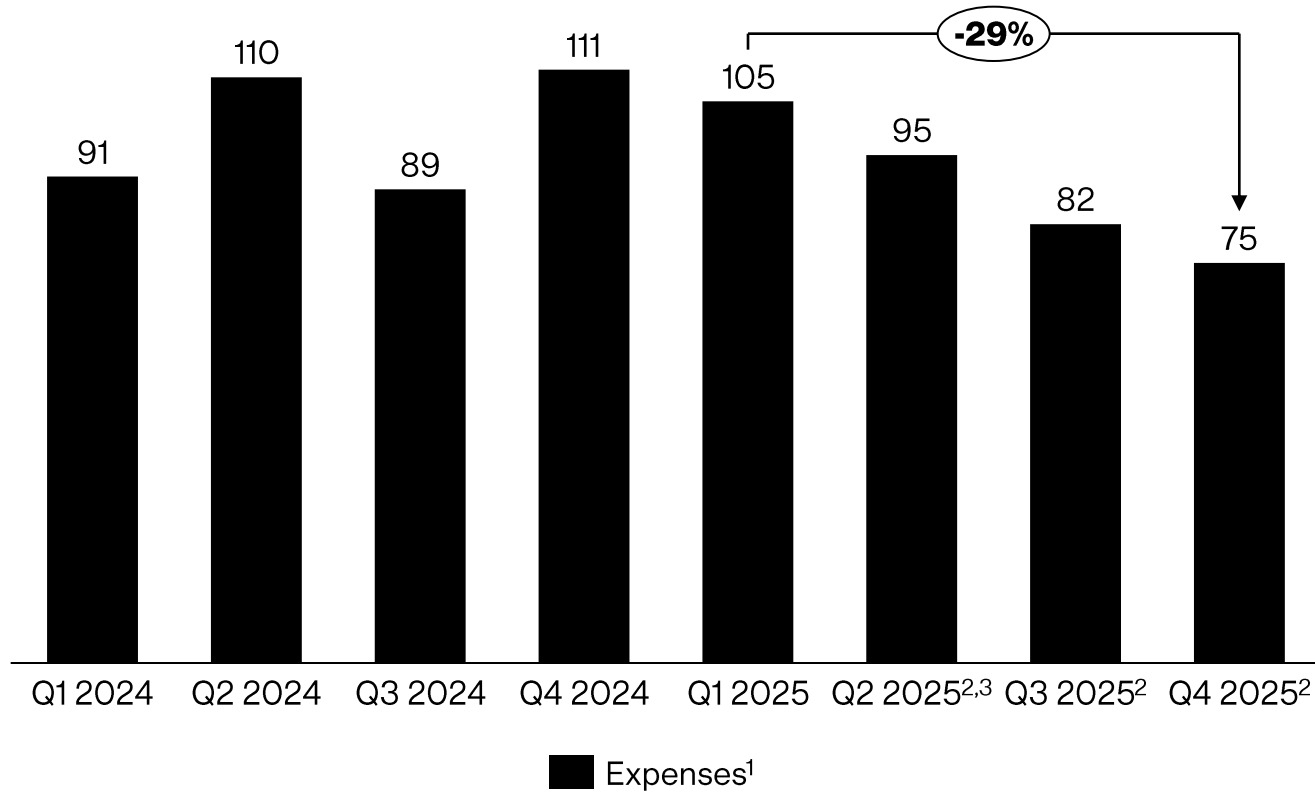
Net sales
LTM
SEK 617m (731)
-15.6%¹

Adj. EBIT
LTM
SEK 41m (153)

Adj. EBIT margin
LTM
6.6% (20.9)

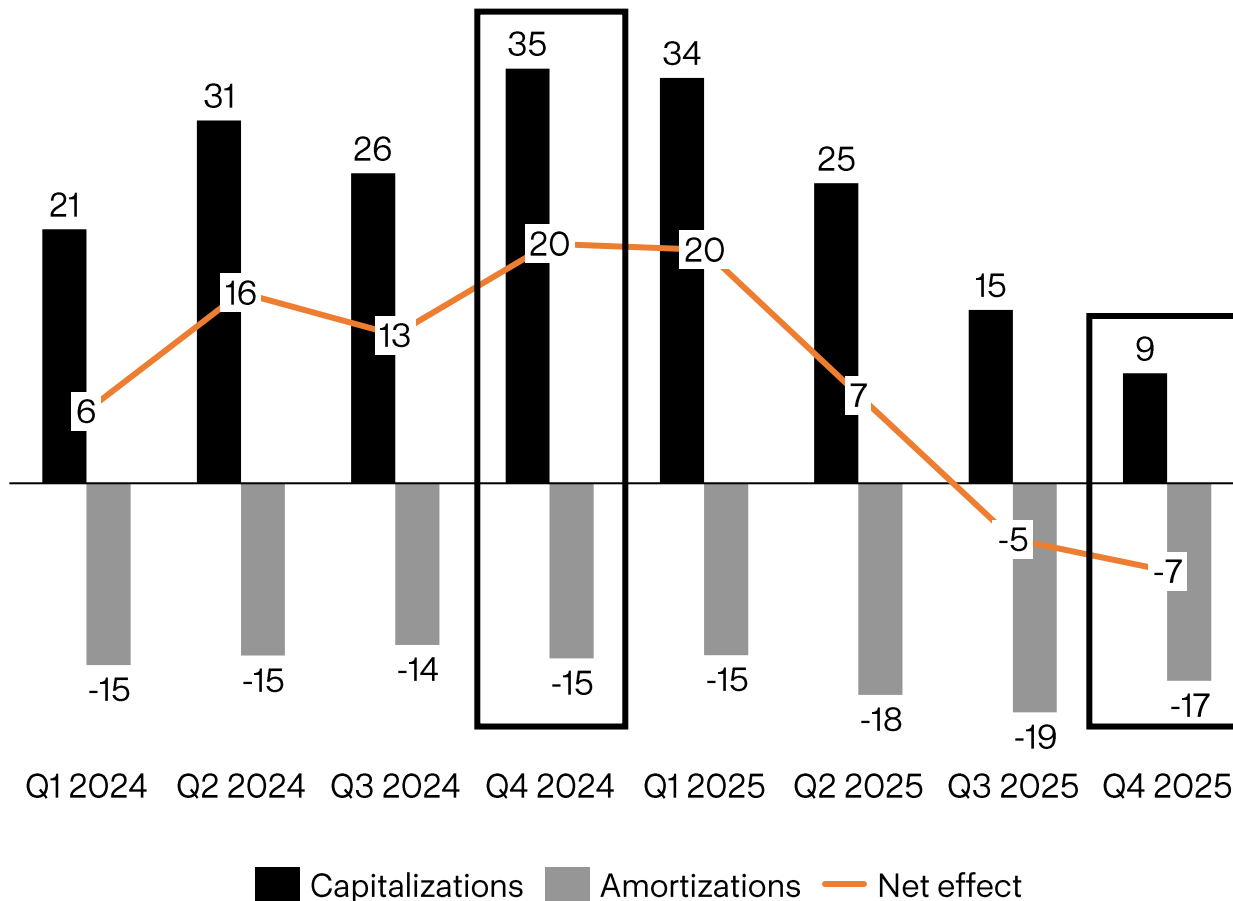


Full impact of cost savings measures realized in Q4



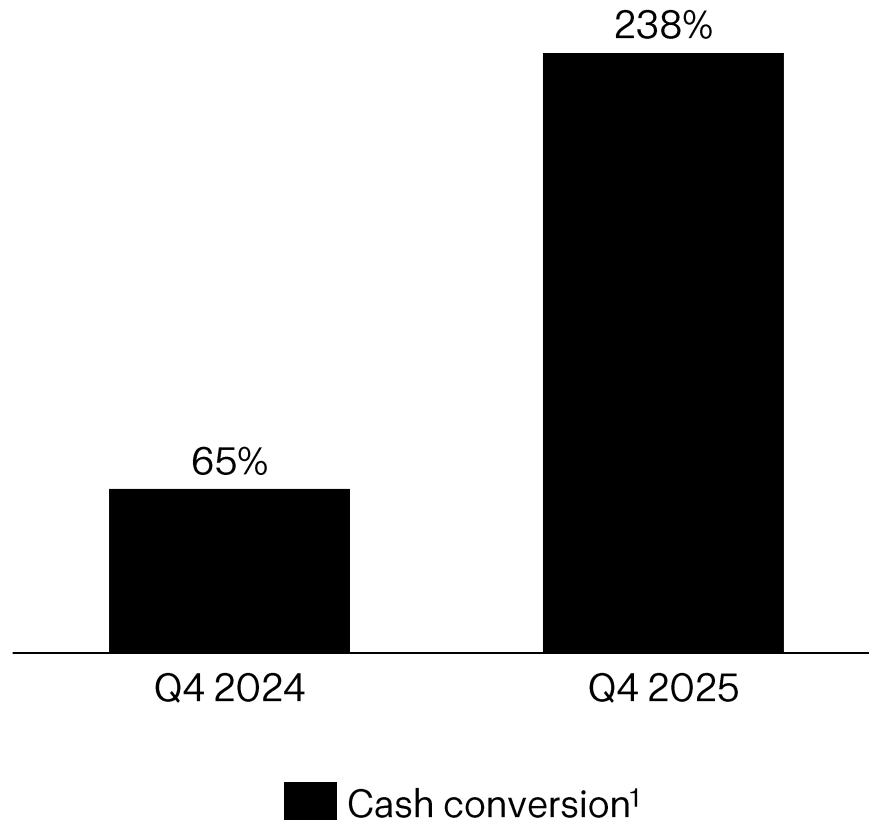
- Cost saving efforts now in full effect – costs in Q4 were 29% lower than in Q1.
- At current level we are tracking annual costs of SEK 300m.
- Legal costs of SEK 7m incurred in Q2-Q4 were billed in full in Q4 – period allocated in the graph

Low rate of capitalizations in the quarter



- A shift in the ratio between capitalizations and amortization is putting downward pressure on EBIT.
- This is the result of a change in the capitalization rate within R&D and to some extent the initiation of amortization on products launched during the year.

Strong cash conversion despite drop in earnings



- Strong focus on cash flow means we've maintained a strong cash position throughout the year.
 - Operating cash flow in Q4 2025 SEK 37m (38)
- Net debt decrease from SEK 235m to SEK 181m in the year.
- Cash conversion in Q4 2025 far exceeds that of Q4 2024, an effect from decrease in working capital by SEK 32m

Updated financial targets as we enter a new era



In light of changing market conditions and our strategic shift toward LED, the Board has decided to update the financial targets.

Profoto will deliver long-term organic growth that exceeds 5% per year, driven by new technology and new customer segments. At the same time, the company shall deliver a 20% EBIT.



To summarize

- LED launches going to plan.
- More intense competition from low price Chinese players.
- Successful implementation of cost savings plan.
- Strong cash conversation in the quarter despite earnings drop.
- Updated financial targets in light of a changing market.

Questions



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