

**A stable quarter with postponed sales**

**– will not affect full year**

Profoto Interim report Q2

July 22, 2022



# Today's speakers

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## Q2 Highlights

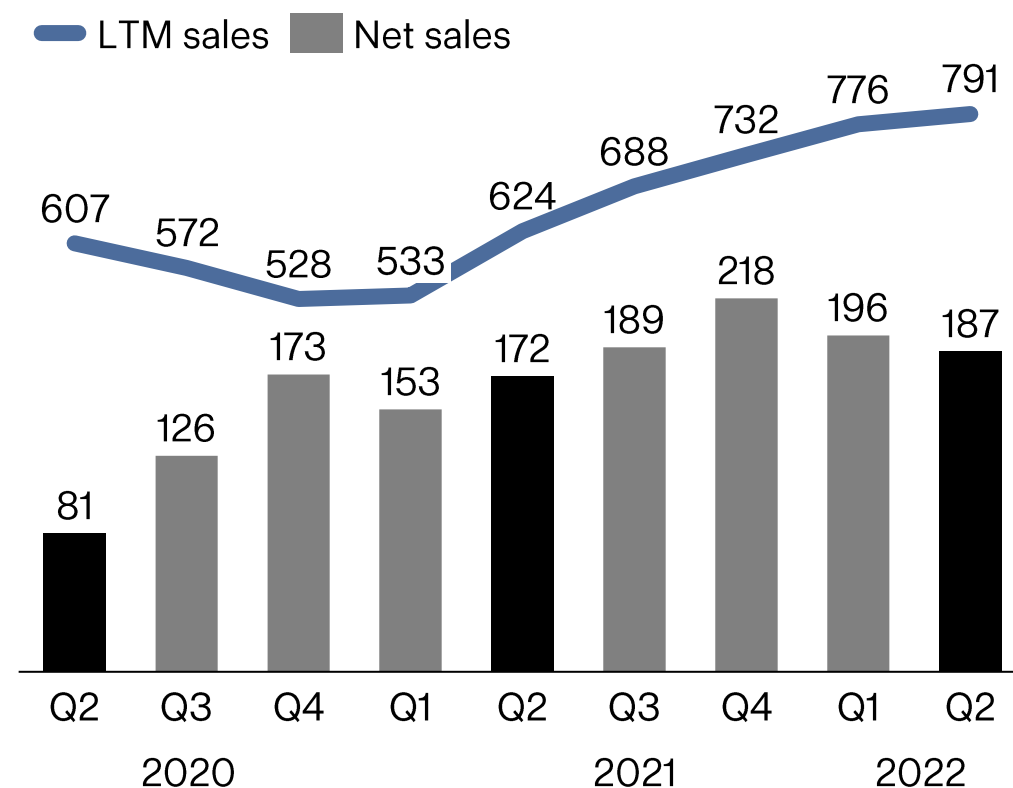
- The net sales increased by 9% for the quarter.
- Organic growth adjusted for currency effects decreased by 13%.
- The growth was affected by postponed sales due to a delay in component deliveries. This will not affect sales for the full year.
- Two product launches in the quarter: A2 and Connect Pro. The products were launched at the end of the quarter and generated great interest and are expected to have a positive effect on future sales.

# A profitable quarter with +33% EBIT growth

**Net sales Q2**  
SEK 187m (172)  
+9%<sup>1</sup>

**EBIT Q2**  
SEK 48m (36)  
+33%

**EBIT  
margin Q2**  
26% (21)

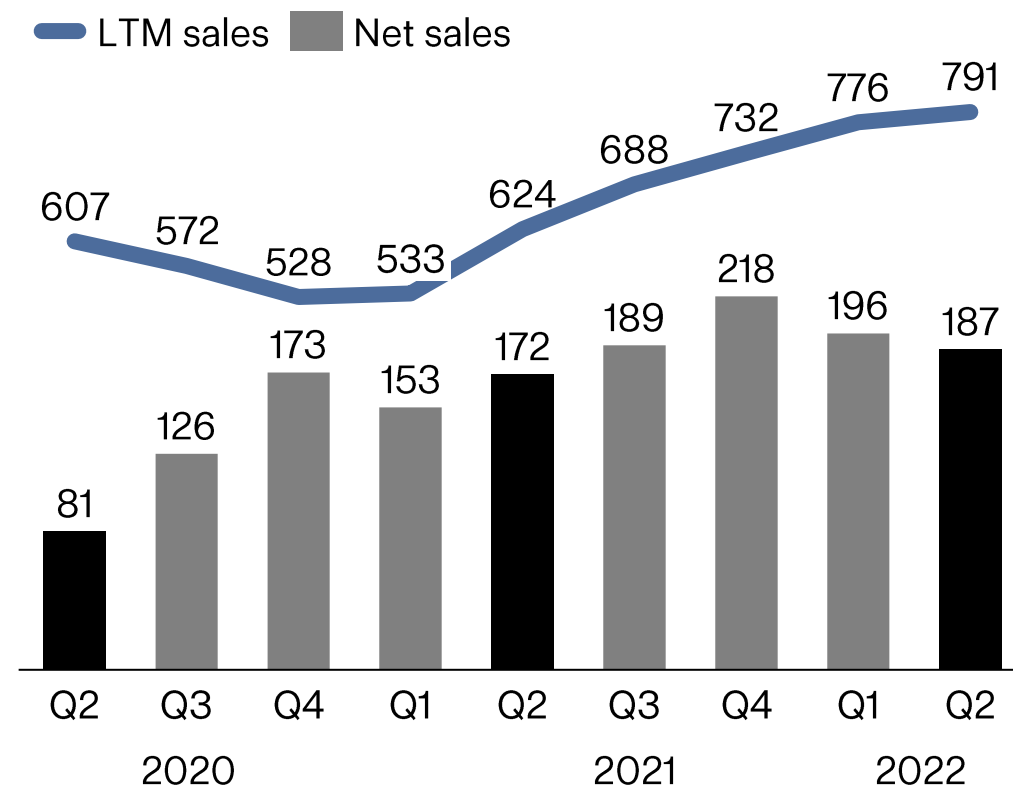


# Strong and profitable LTM sales growth

**Net sales LTM**  
SEK 791m (624)  
+27%<sup>1</sup>

**EBIT LTM**  
SEK 239m (74)  
+223%

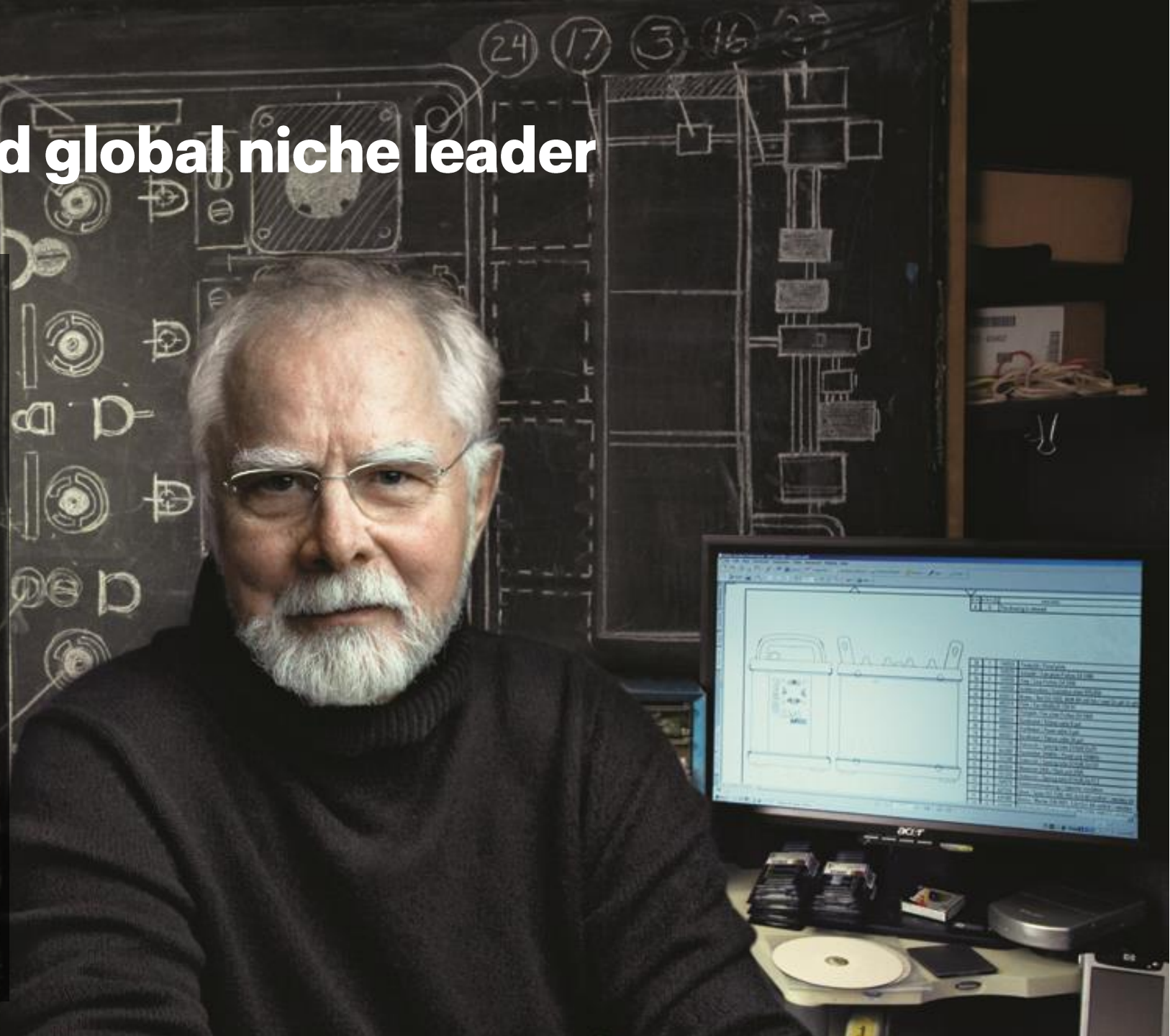
**EBIT margin LTM**  
30% (12)





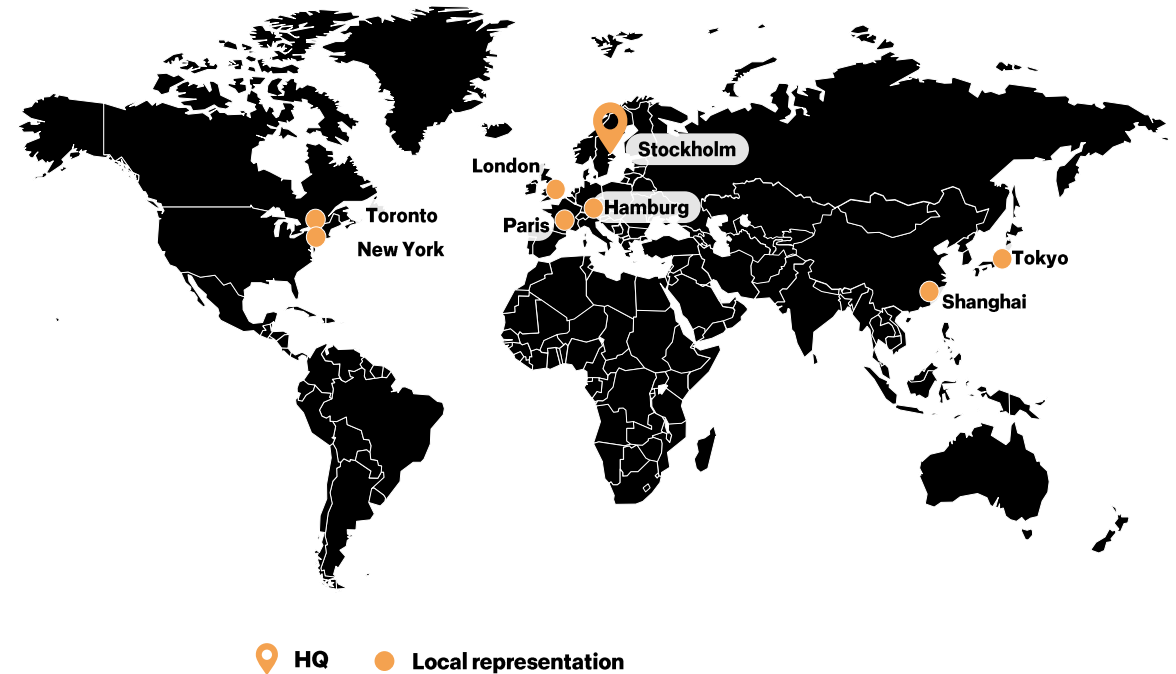
# Premium positioned global niche leader

- Profoto is the **leader in a global niche** with a high barrier of entry.
- The brand is **used by the very best** photographers in the world.
- Founded in 1968 – more than 50 years of experience.
- Customer focus and quality products for growth.
- Entrepreneurial spirit and drive.
- Competent, dedicated and long-term management with a proven track-record.

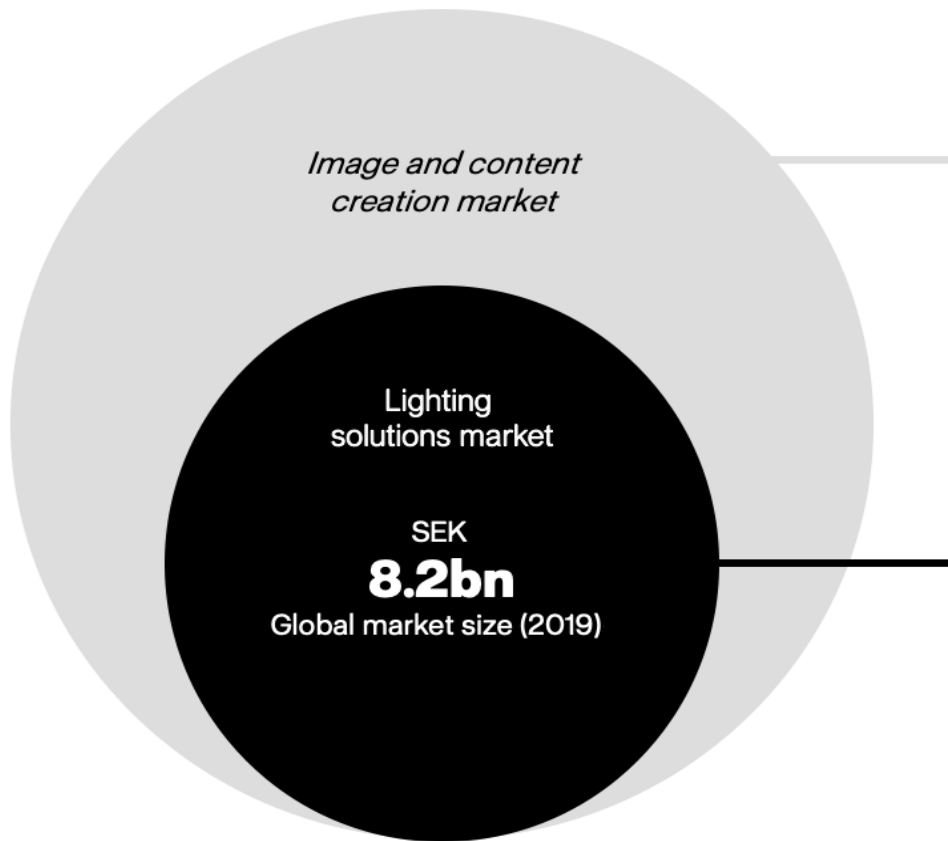


# Profoto is the world leader in lighting products for professional photographers

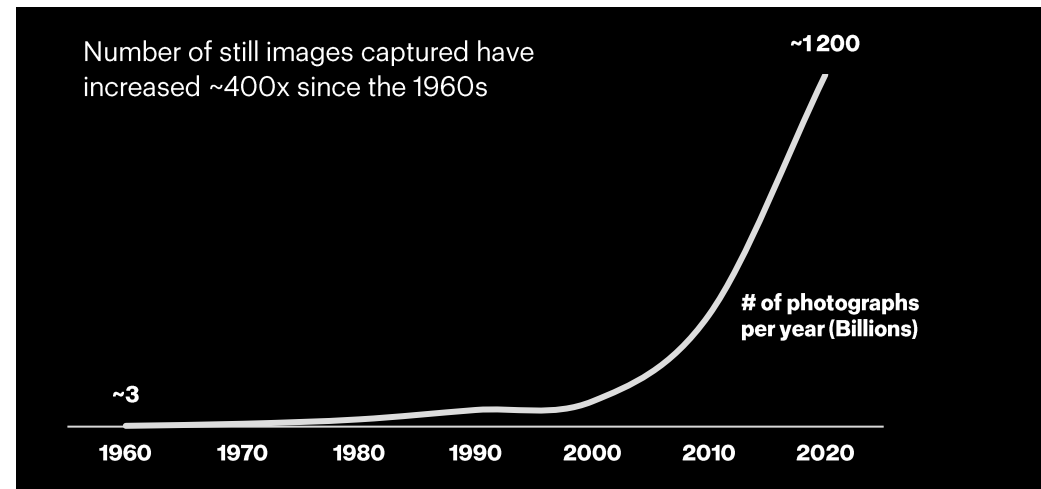
- In the growing image and content creation market.
- Premium position in the segment “Photography lighting solutions”.
- Innovative and easy-to-use flashes and light shaping system.
- Used by the leading photographers.
- Global distribution.
- Organic growth and high margins.
- Large investments in innovation.
- Operational efficiency – outsourced production.
- Only hiring the best.



# Part of the attractive and fast changing image and content creation market



- Content is key
- Sharing of pictures and videos is growing
- Video communication growing fast
- More content is consumed on channels like Netflix and Amazon Prime
- Vlogging, social media and home-working increasing







# Continuous innovation drives sales

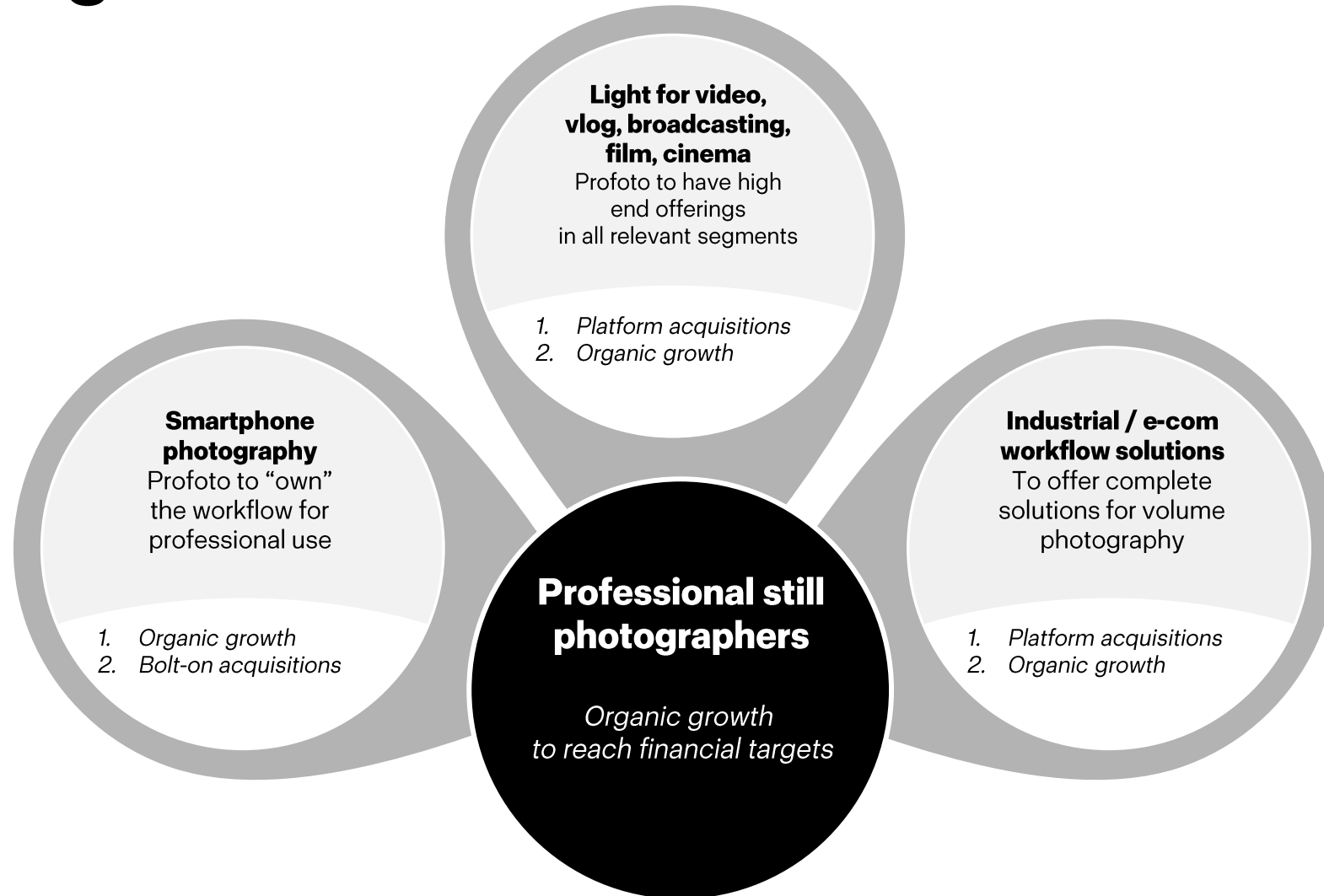
Launches: A2 and Connect Pro

Avg. 10% of sales invested  
in R&D

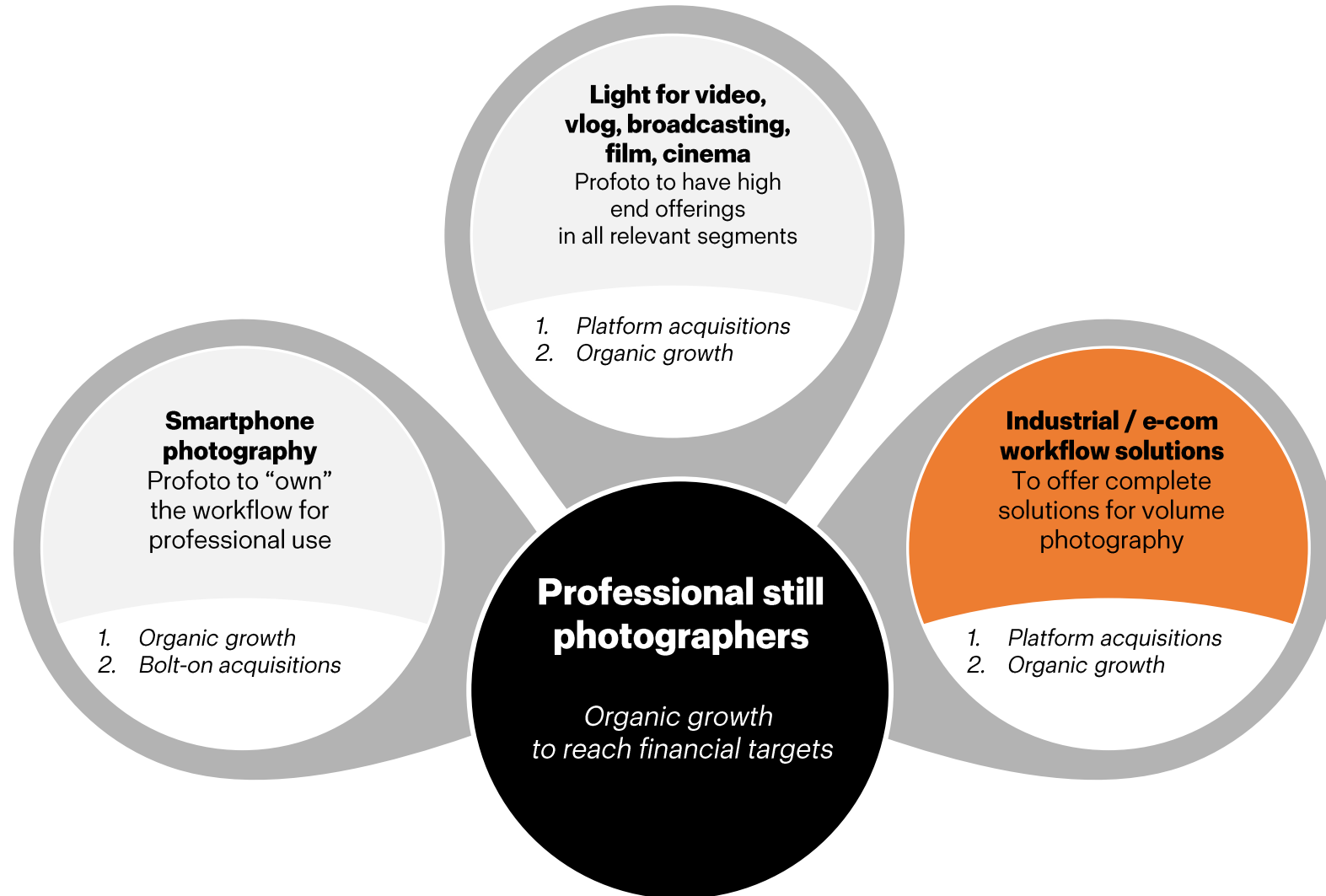
~55 FTE within R&D

19 active patent families

# Strong core growth strategy coupled with several additional growth avenues



# The growing Industrial and e-com workflow market







# The acquisition of Styleshoots

## Workflow software and hardware for e-com

**Net sales**  
€ 9m

**EBIT margin**  
18%

**Employees**  
41

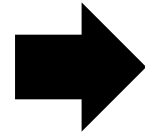
- **Signing and closing:** April 6, 2022
- **Price and payment:** EUR 18m, paid in cash. Corresponding to an EBIT multiple of 12xEBIT 2021.
- **Other:** StyleShoots' CEO and CFO have undertaken to acquire Profoto shares in the stock market at a total amount of EUR 1.3 within 6 months. They are subjected to a lock-up of 12 months.
- **HQ:** Haarlem, The Netherlands



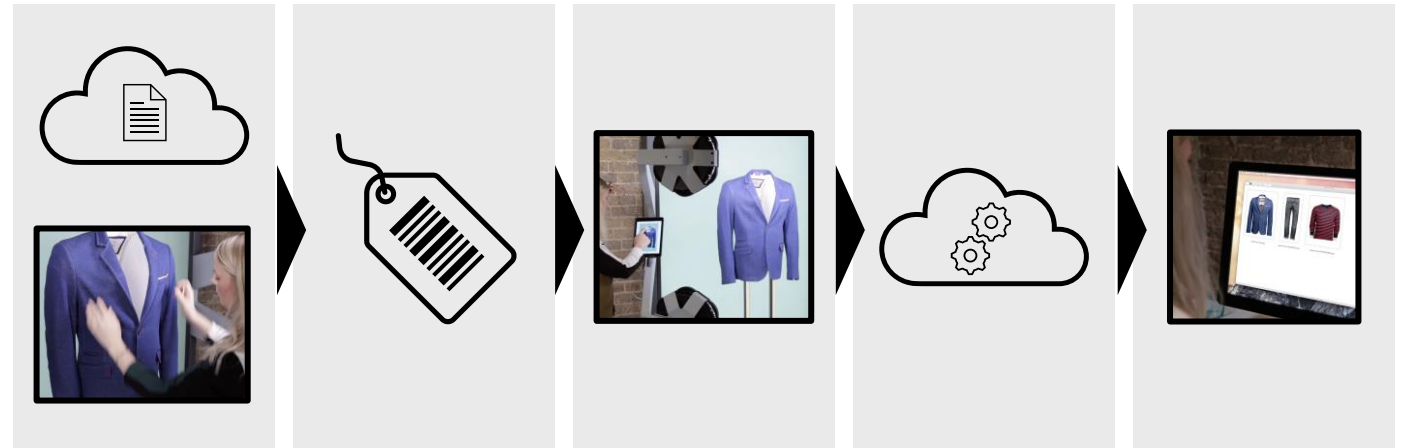
# Workflow software

## For a growing e-com photography market

- Consistent high image quality
- Shorter time to market
- High productivity



Increasing conversion and minimizing return



# StyleShoots – workflow software packaged in four application specific products

## Eclipse



Small objects, photos  
and videos

## Live



Model photos and  
videos

## Vertical



Mannequin photos

## Horizontal



Flatlay photos



# Investment case

**Leading position in a global niche of the fast changing and growing image and content creation market.**

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**3-5%**

Estimated market growth

**Premium brand used by the leading photographers.**

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**2x**

Profoto's market share is twice as large as its closest competitor

**Global market strategy with well established distribution channels**

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**>270**

Dealers

- 8 main markets
- 62 countries
- High entry barriers

**Asset light business model with continuous focus on core operations and innovation to drive profitable growth and expand the addressable market.**

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**6.1%**

Yearly EBIT-margin growth since 2021

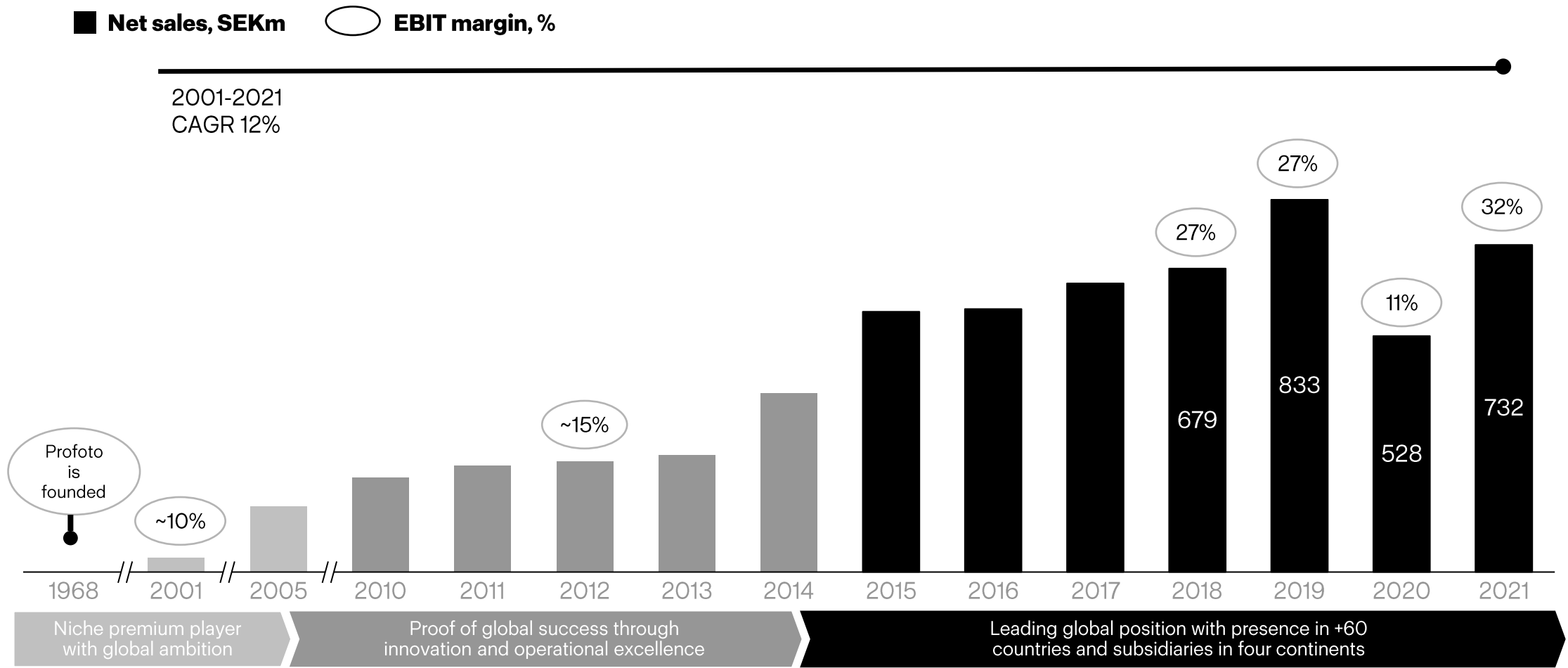
**Long-term organic growth combined with exceptional profitability.**

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Proven track-record of growth and increased profitability

	2021	2020	2019	CAGR
Sales	732	89		11.9%
EBIT-margin	32.3%	9.8%	6.1%	

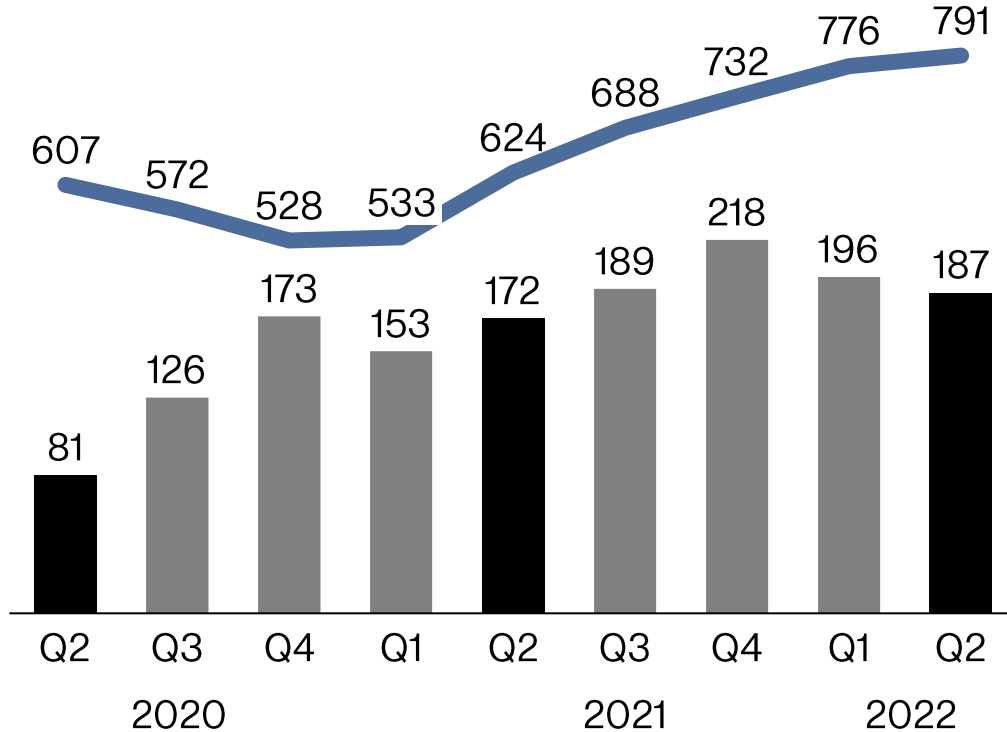
# >50 years of organic and profitable growth



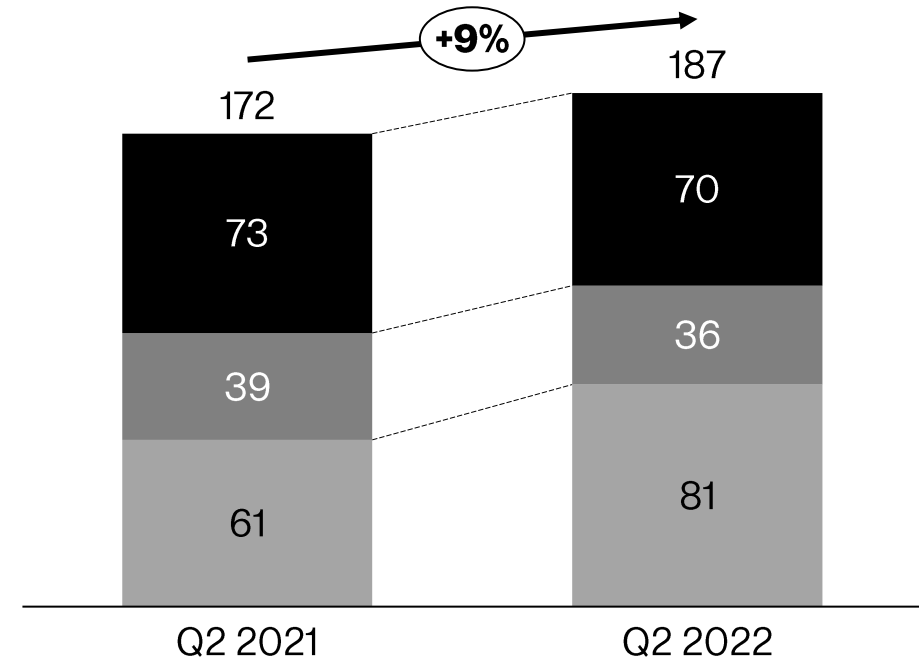
**Note:** Figures before year 2010 refer to Profoto AB, while numbers from 2010 and onwards refer to Profoto Holding AB.

# Overall stable market – Acquired StyleShoots contributed to EMEA growth

— LTM sales ■ Net sales

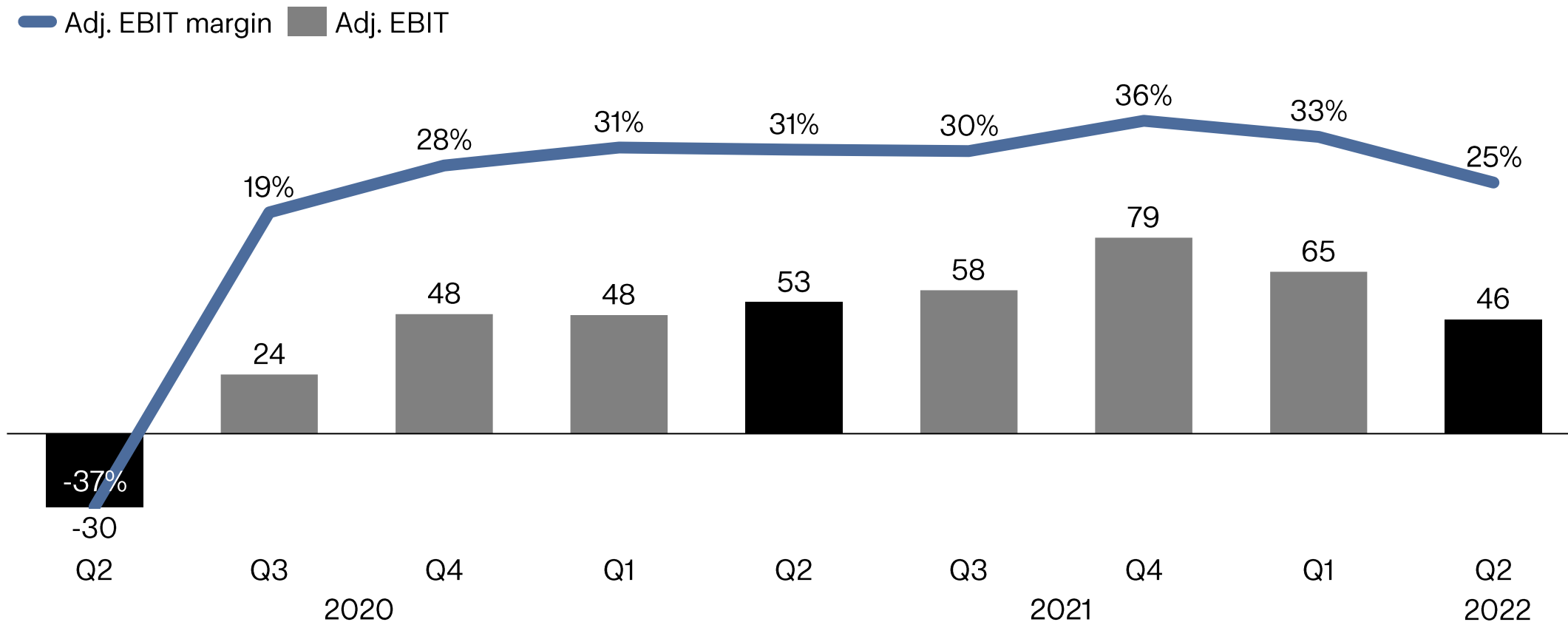


■ Americas ■ APAC ■ EMEA





# EBIT affected by postponed sales and acquisition



**Note:** EBIT adjusted by SEK 8m in Q1 2021 and SEK 17m in Q2 2021 for IPO costs. Q1 2022 adjusted by SEK 10m for acquisition costs which was decreased by SEK 2m in Q2 2022.

# Well within profitability target YTD, lower organic growth due to postponed sales

	Target	Q2 2022	YTD
Organic net sales growth, adjusted for currency effects	10%	-13%	3%
EBIT margin <sup>1</sup>	25-30%	25%	29%
Dividend policy	> 50%		



# Questions!



# Third quarter report, November 8, 2022

## Head of Investor Relations



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