



A stable first quarter in a troubled world

Profoto Interim report Q1

May 5, 2022

Today's speakers

CEO



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Q1 Highlights

- E-commerce's need for great images continues to grow. Great images, taken in good lighting, do not only increase sales but also reduce returns, which are expensive to handle.
- 28% in net sales growth
 - Opening of societies and increase in number of events contributed to a sales growth of 69% in Americas and 38% in EMEA.
 - -25% sales growth in APAC due to reinforcement of restrictions.
- Shortage of components continued to have a limited and manageable impact in the quarter.

Acquisition of StyleShoots

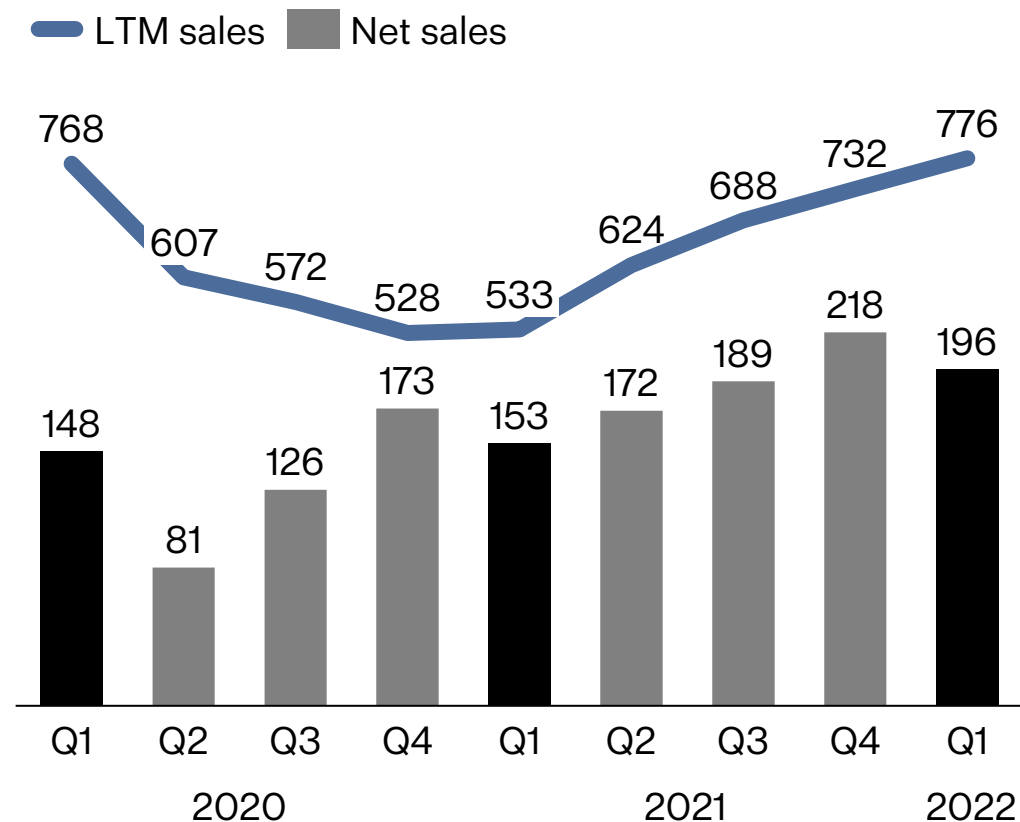
- To strengthen our position in automated e-commerce photography.

A stable quarter with strong sales growth and high EBIT margin

Net sales Q1
SEK 196m (153)
+28%¹

Adj. EBIT² Q1
SEK 65m (48)
+37%

**Adj. EBIT
margin² Q1**
33% (31)

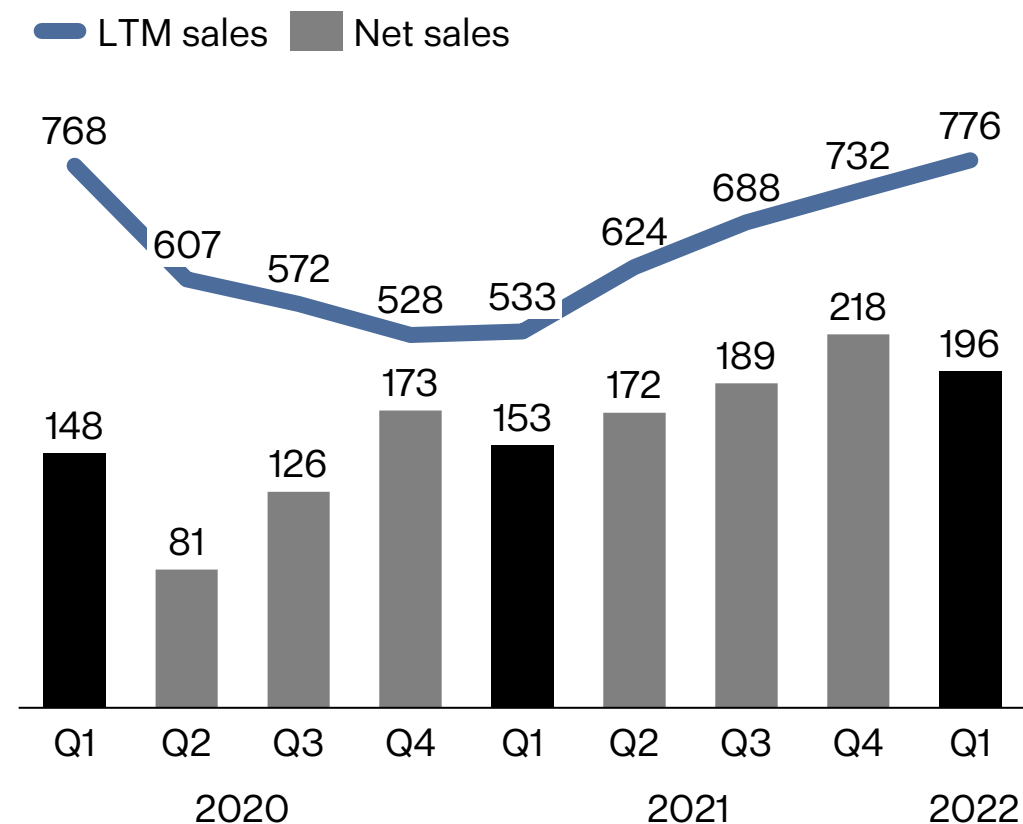


LTM sales exceeds pre-pandemic LTM sales level

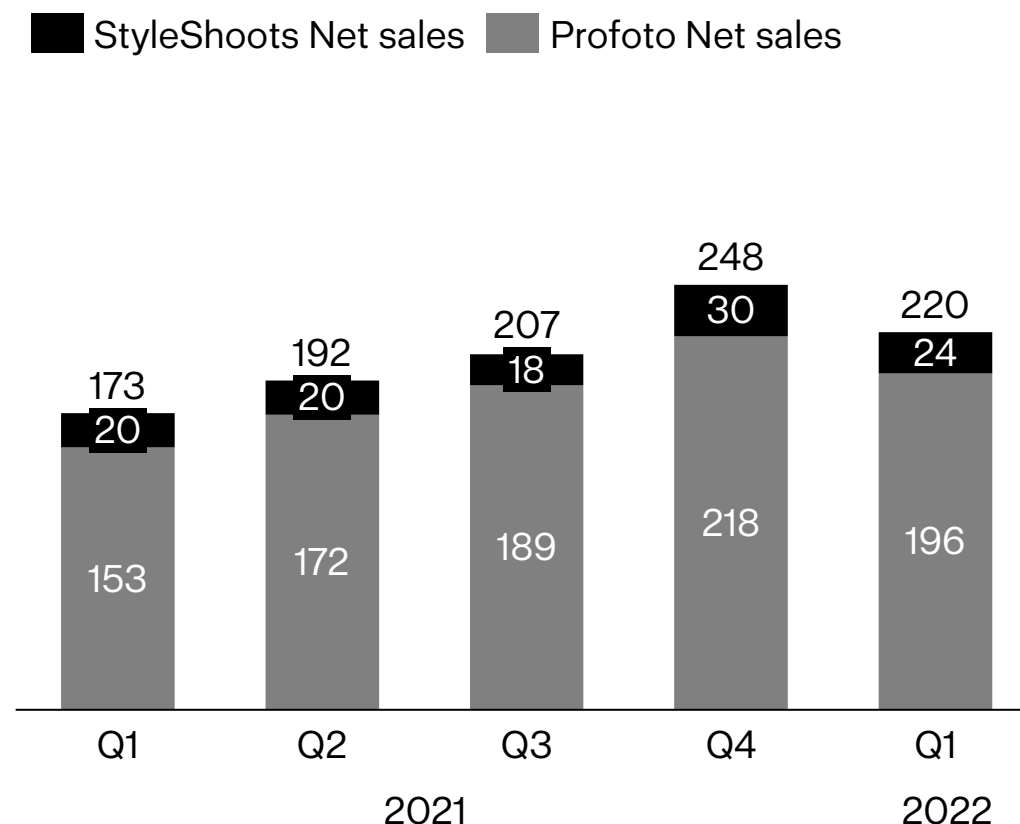
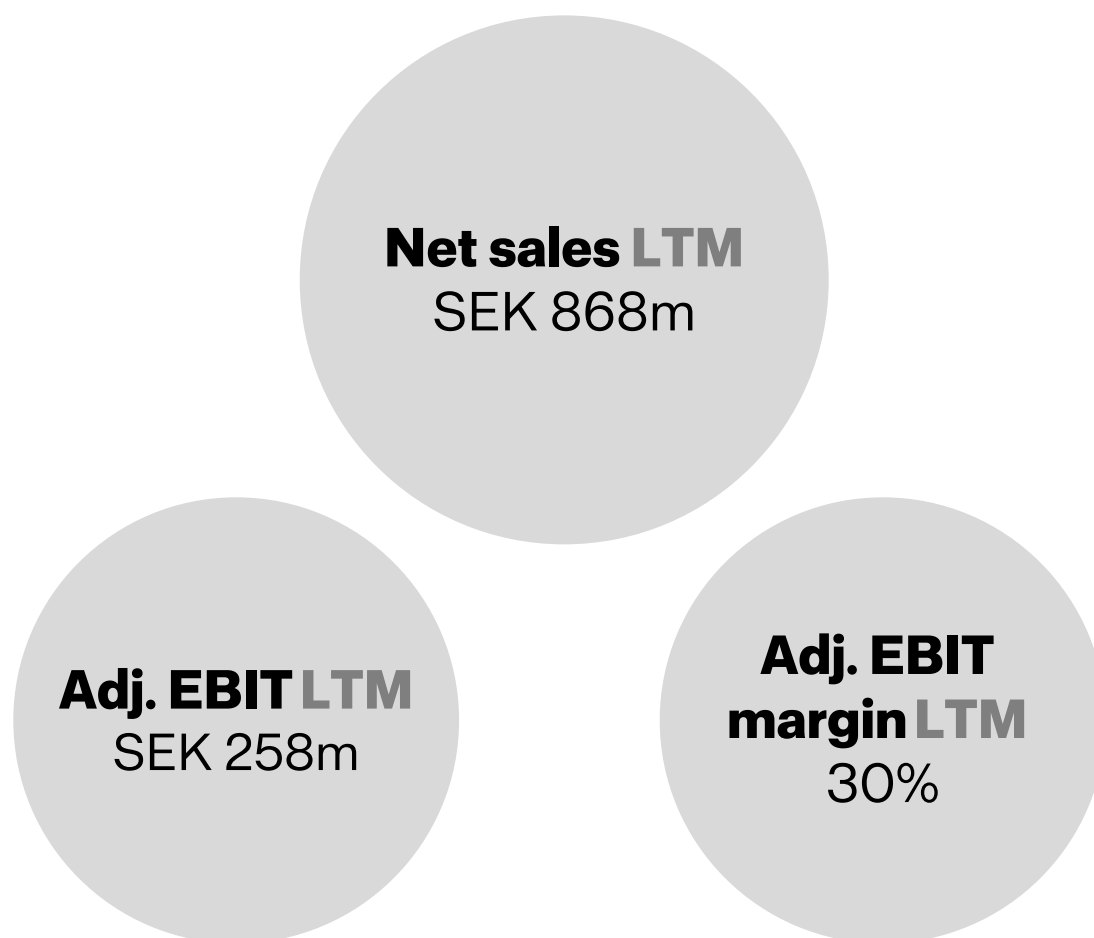
Net sales LTM
SEK 776m (533)
+46%¹

Adj. EBIT LTM
SEK 254m (90)
+183%

**Adj. EBIT
margin LTM**
33% (17)



Proforma - Net sales of SEK 868m with an EBIT margin of 30%



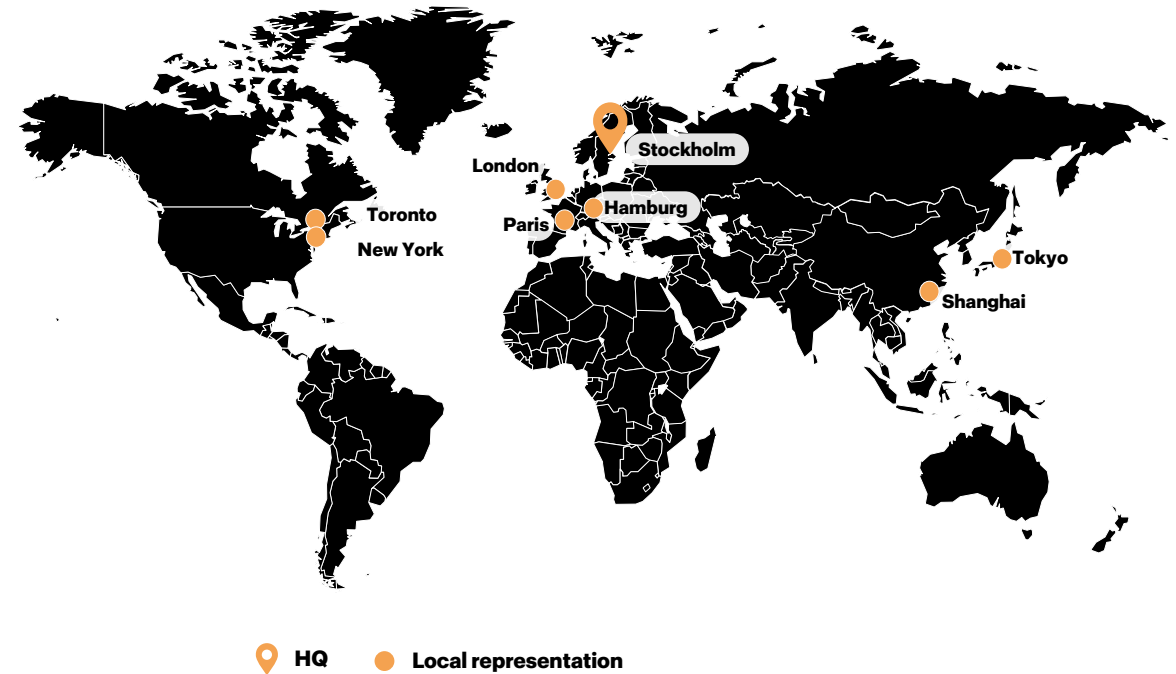
Long entrepreneurial history with global niche leadership



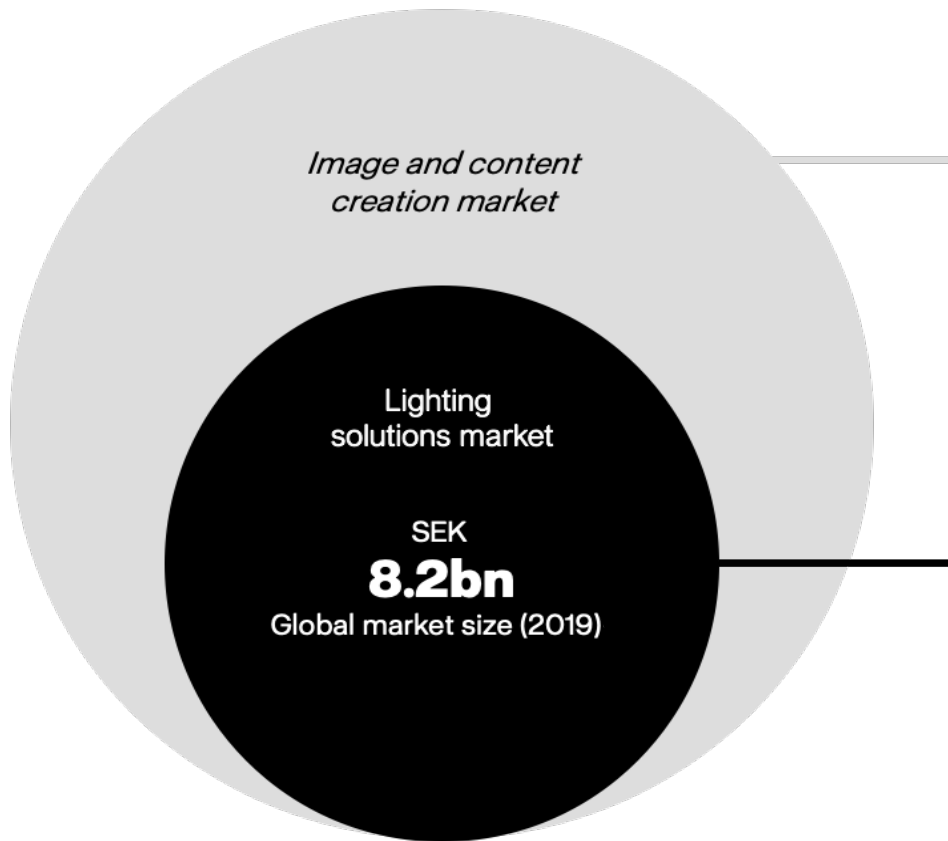
- Founded in 1968 by Conny Dufgran & Eckhard Heine
- Premium position from the start
- Anders Hedebark appointed CEO in 1997
- Customer focus and quality products for growth
- Entrepreneurial spirit and drive
- Petter Sylvan appointed CFO 2009
- Good growth and profitability

Profoto is the world leader in lighting products for professional photographers

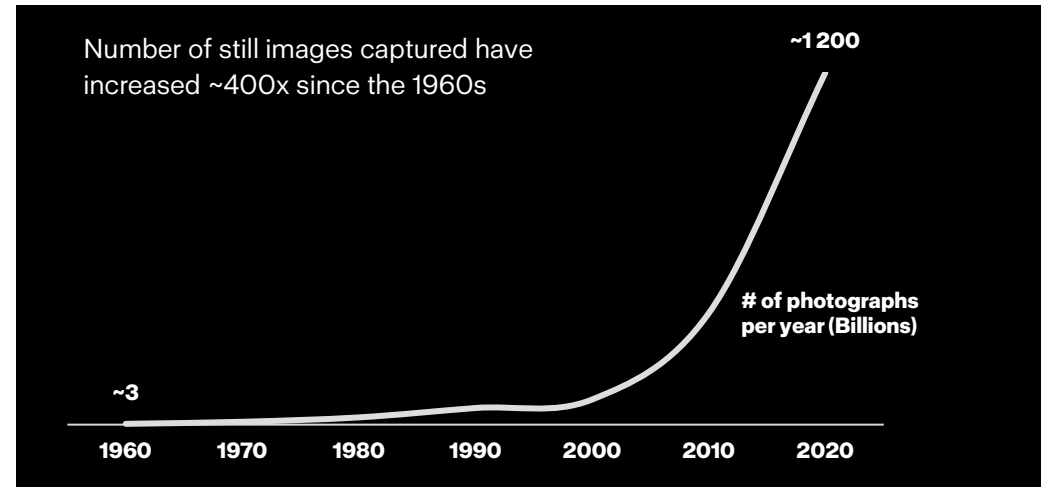
- In the growing image and content creation market
- Premium position in the segment “Photography lighting solutions”
- Innovative and easy-to-use flashes and light shaping system
- Used by the leading photographers
- Global distribution
- Organic growth and high margins
- Large investments in innovation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





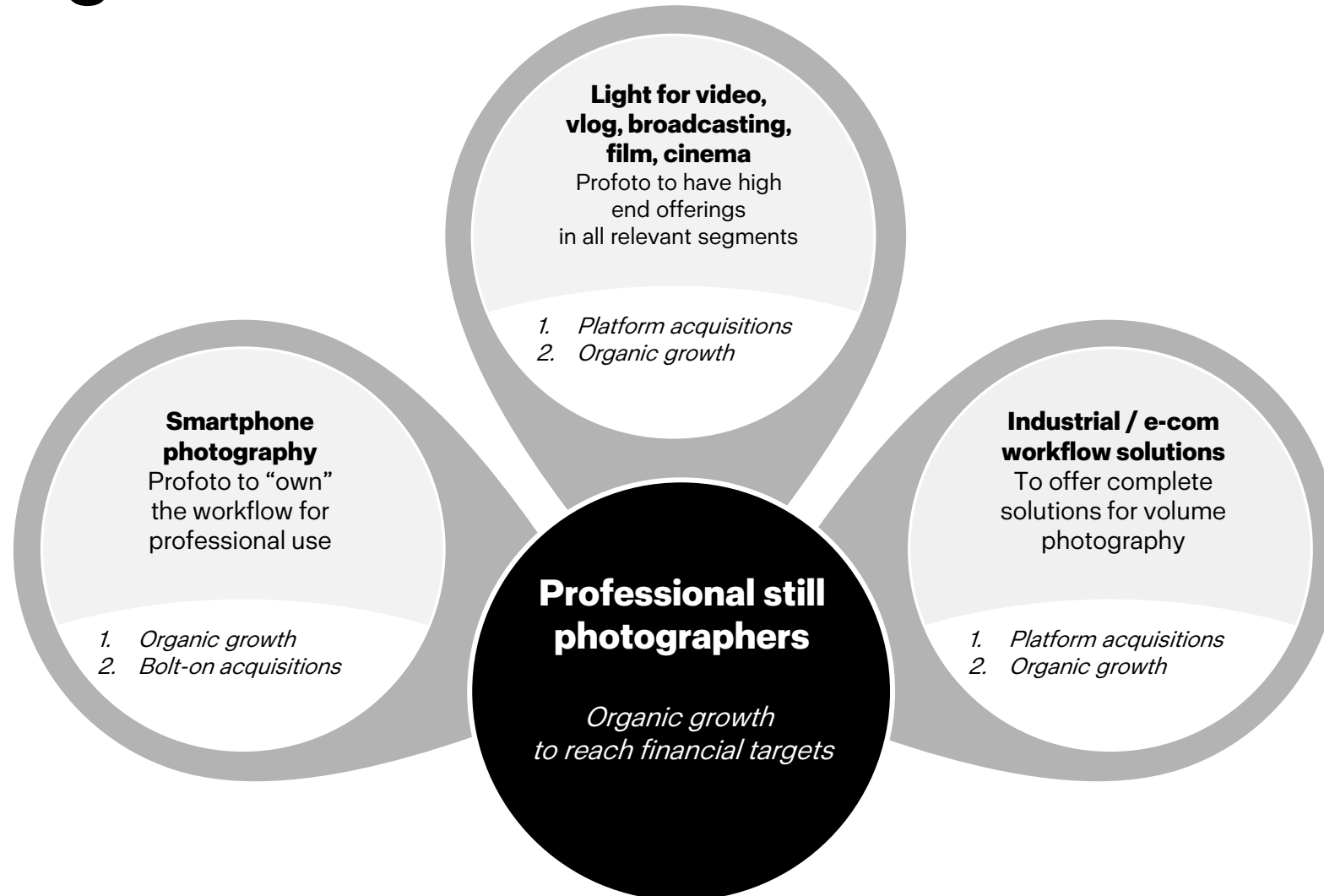
Continuous innovation drives sales

Avg. 10% of sales invested in R&D¹

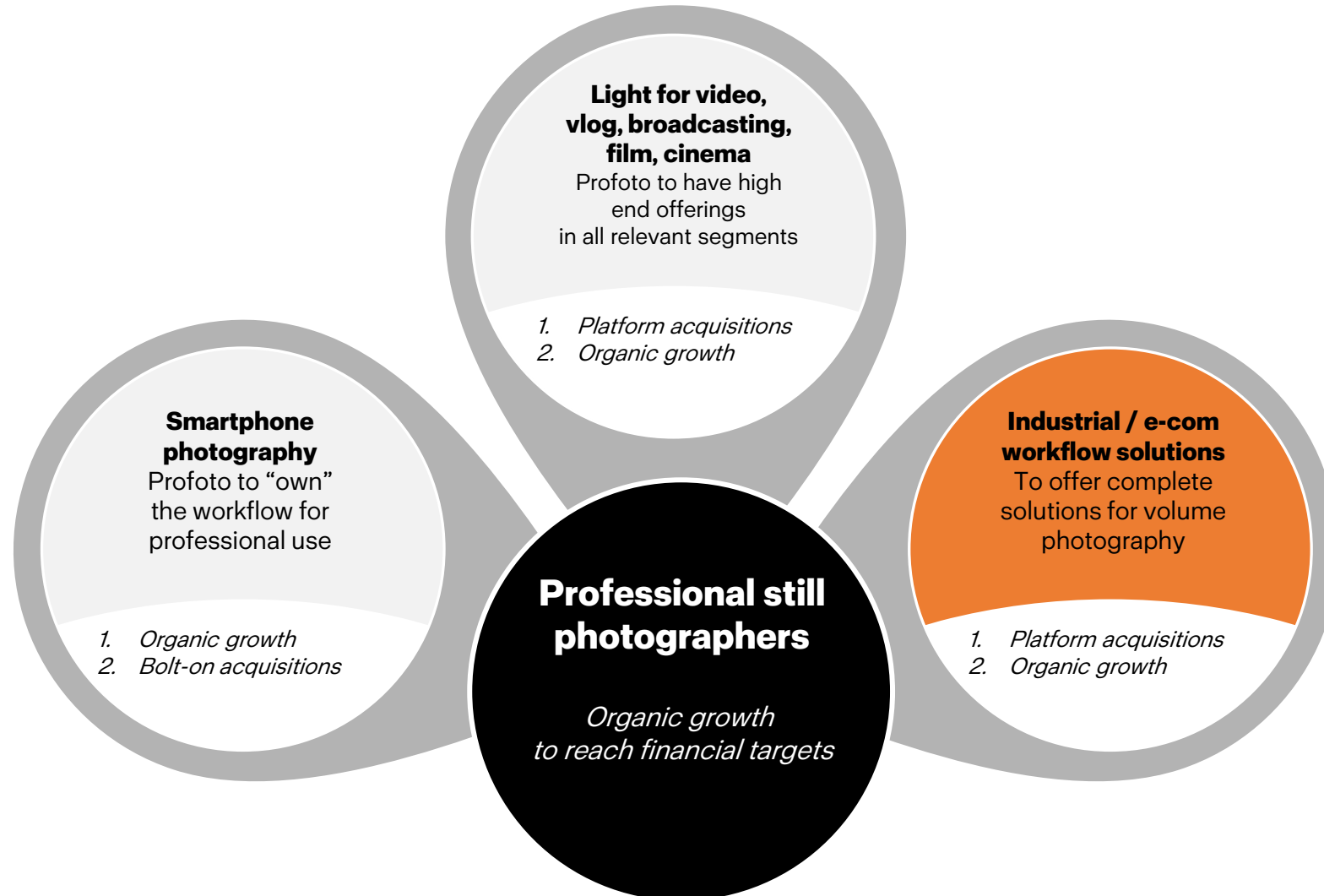
~45 FTE within R&D

19 active patents

Strong core growth strategy coupled with several additional growth avenues



The growing Industrial and e-com workflow market





Styleshoots acquisition

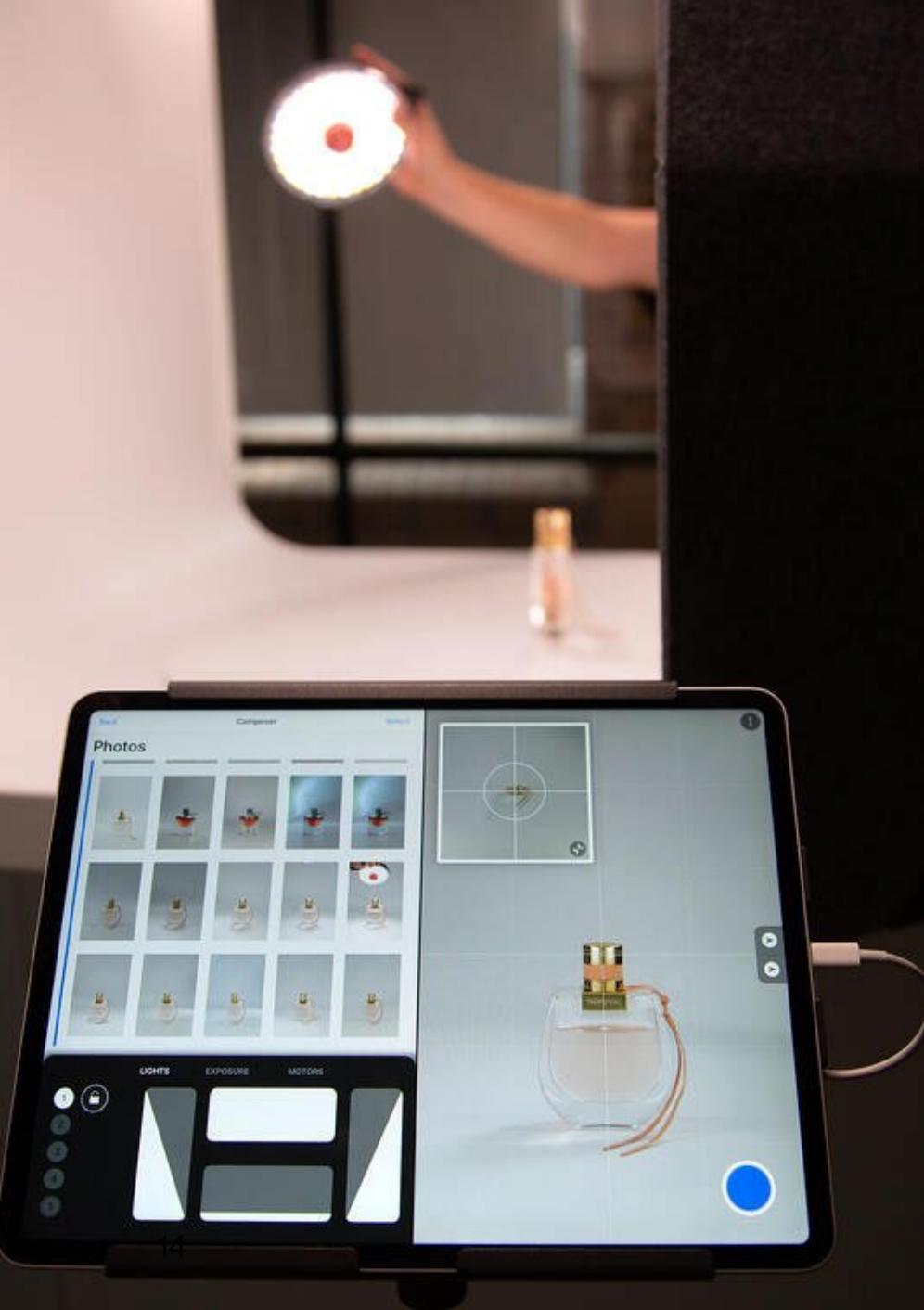
Workflow software and hardware for e-com

Net sales
€ 9m

EBIT margin
18%

Employees
41

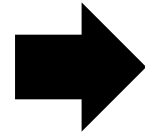
- **Signing and closing:** April 6, 2022
- **Price and payment:** EUR 18m, paid in cash. Corresponding to an EBIT multiple of 12xEBIT 2021.
- **Other:** StyleShoots' CEO and CFO have undertaken to acquire Profoto shares in the stock market at a total amount of EUR 1.3 within 6 months. They are subjected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



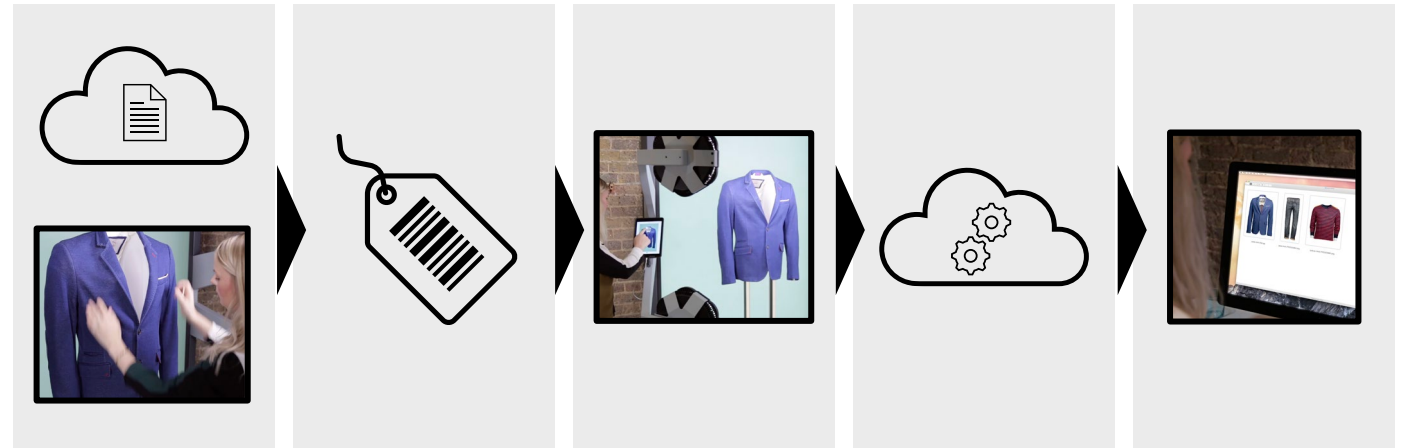
Workflow software

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.

3-5%

Estimated market growth

Premium brand used by the leading photographers.

2x

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

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

6.1%

Yearly EBIT-margin growth since 2021

Global market strategy with well established distribution channels

>270

Dealers

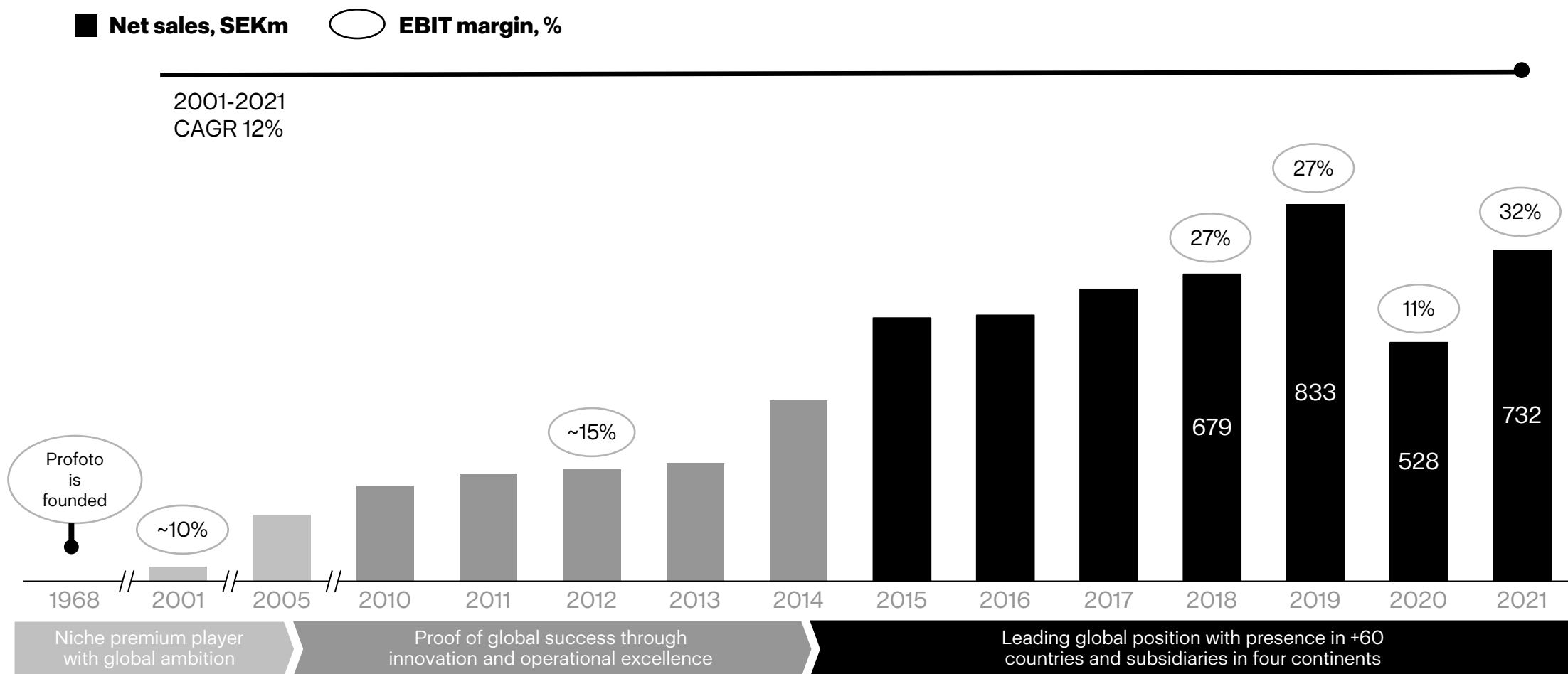
- 8 main markets
- 62 countries
- High entry barriers

Long-term organic growth combined with exceptional profitability.

Proven track-record of growth and increased profitability

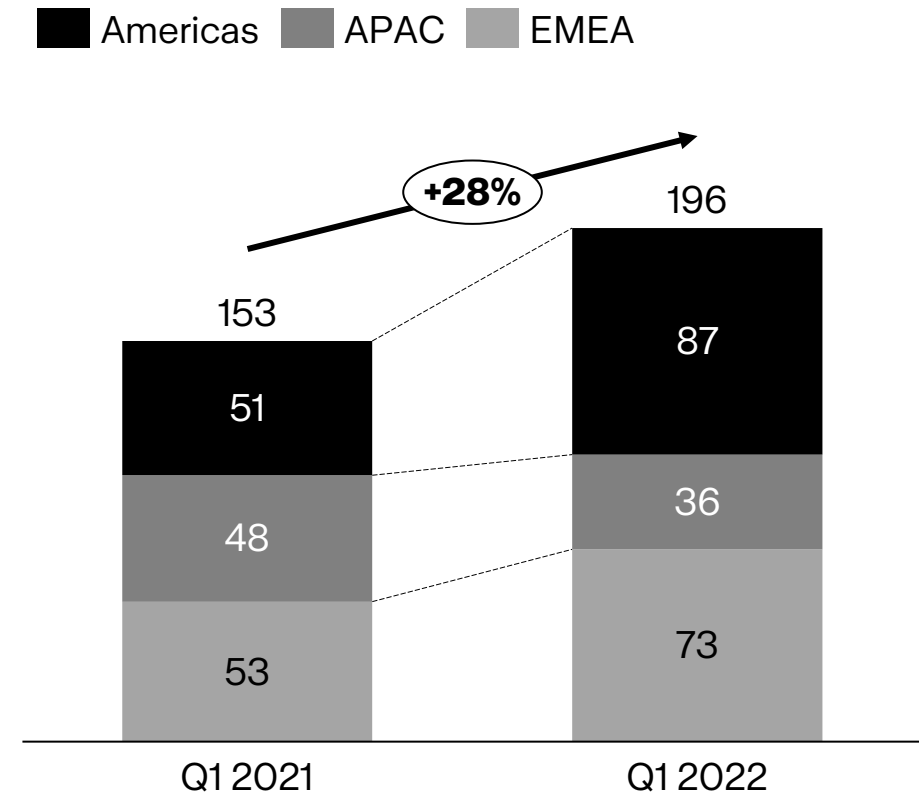
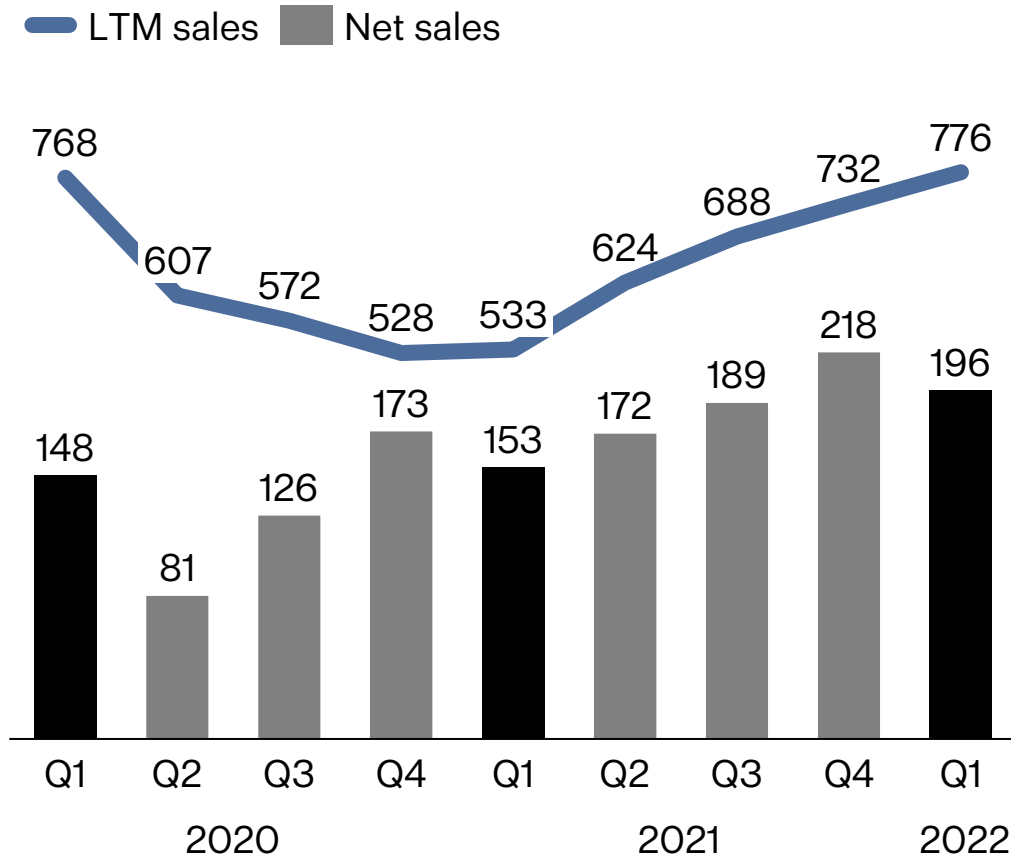
	2021	2020	2019	CAGR
Sales	732	89		11.9%
EBIT-margin	32.3%	9.8%	6.1%	

>50 years of organic, profitable growth

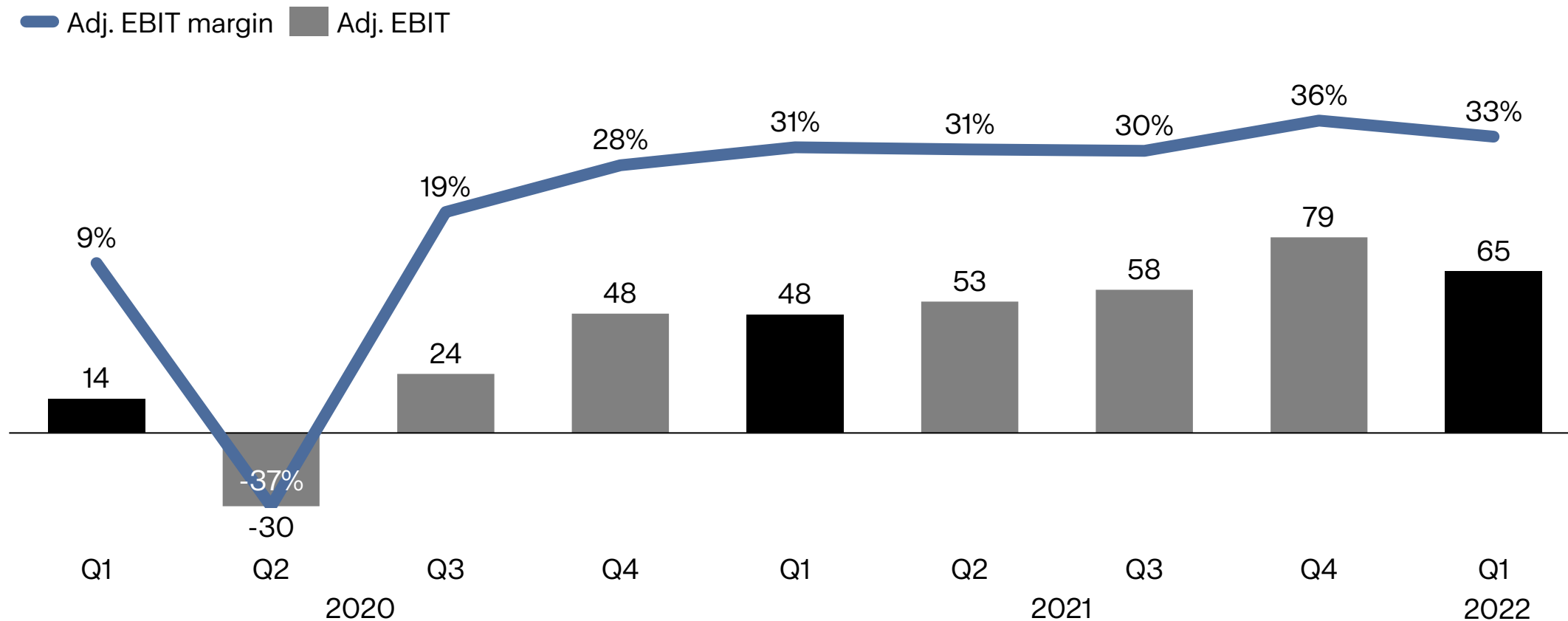


Note: Figures before year 2010 refer to Profoto AB, while numbers from 2010 and onwards refer to Profoto Holding AB.

Continued strong sales growth in Americas and EMEA while APAC was impacted by lock-downs



Strong sales and efficiency led to high EBIT margin



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.

All financial targets were exceeded in Q1 2022

	Target	Q1 2022
Organic net sales growth, adjusted for currency effects	10%	20%
EBIT margin ¹	25-30%	33%
Dividend policy	> 50%	

Questions!



Second quarter report, July 22, 2022

Head of Investor Relations



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