

Continuing to invest in growth in a cautious market

Profoto Q2 report 2023

July 21, 2023

Today's speakers

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 **Profoto**
Soft Zoom Reflector 180

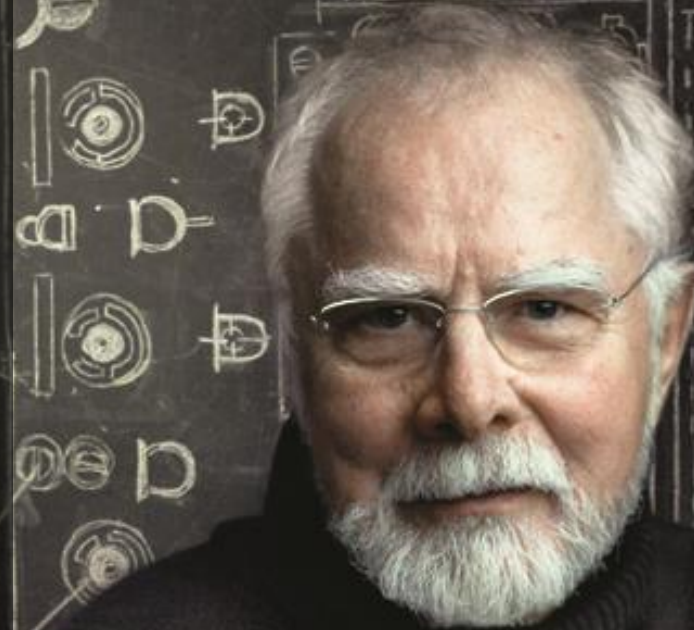
Q2 Highlights

- Net sales decreased by 2 percent for the quarter driven by uncertainty in the market. Organic growth was -9 percent.
- EBITA totaled SEK 61m (61), corresponding to an EBITA margin of 34 percent (33).
- Good profitability for the quarter with an EBIT of SEK 47m (48) and EBIT margin of 26 percent (26).
- A general concern about the world economy had a negative effect on the demand for our products.

Photo credit: Sara Strid

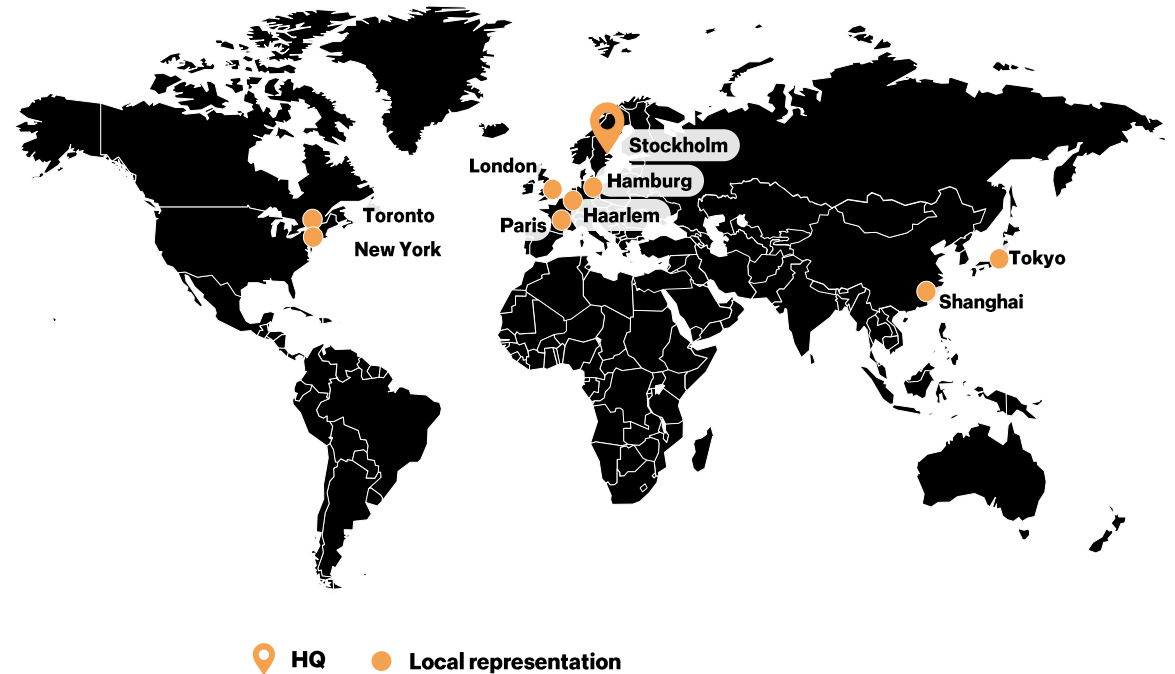
Premium positioned global niche leader

- 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.



Profoto is the world leader in lighting products for studios and professional photographers

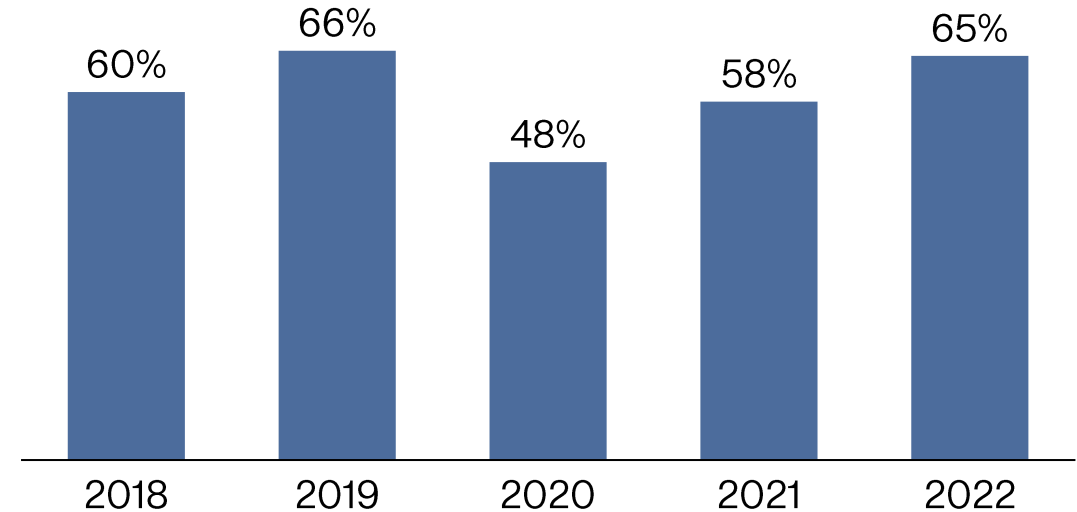
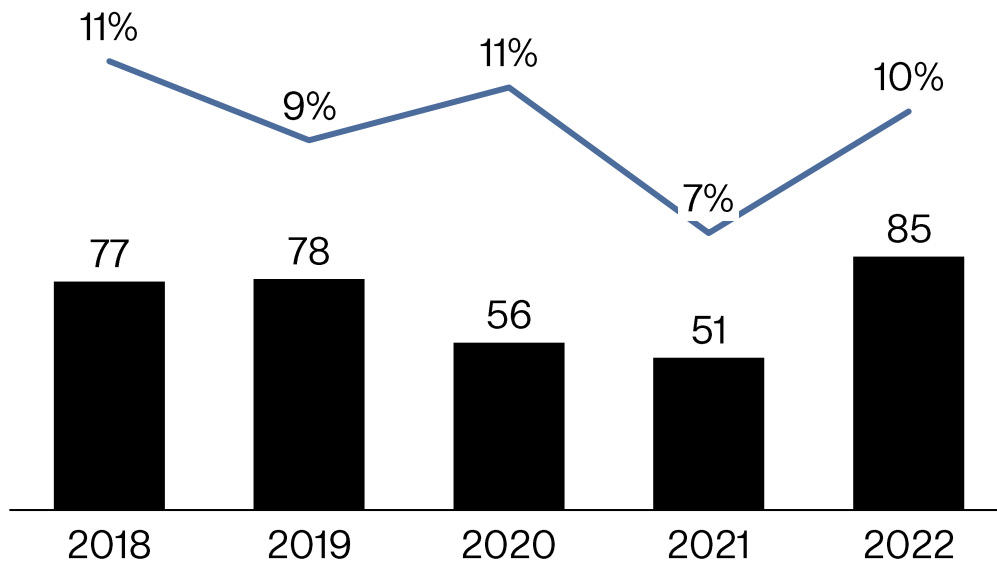
- In the growing image and content creation market.
- Premium position in the segment “Photography lighting solutions”.
- Innovative and easy-to-use flashes and light shaping system.
- Used by the leading studios and photographers.
- Global distribution.
- Organic growth and high margins.
- Large investments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



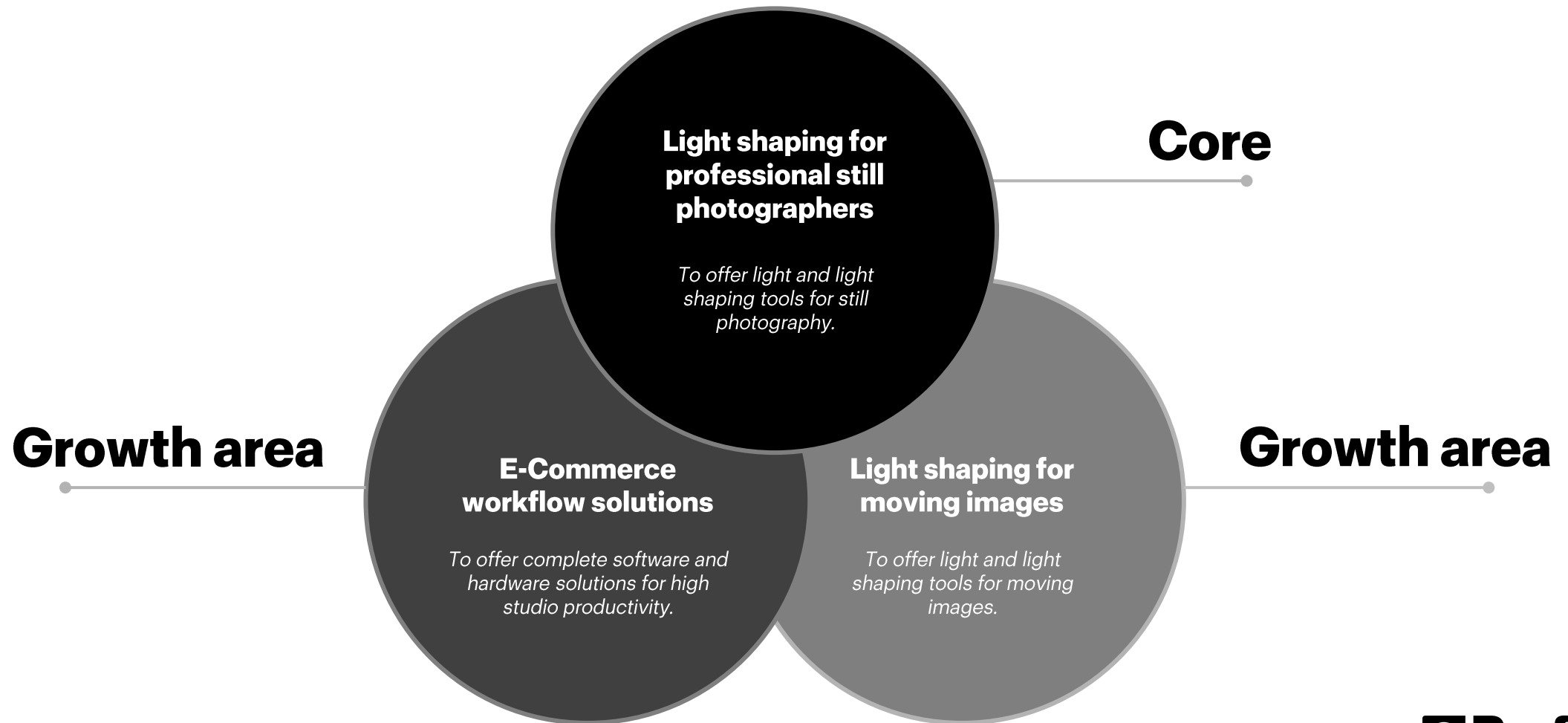
We continue to invest in R&D for future sales growth – Q2 in line with 10% ambition

■ R&D Spend, SEKm — R&D Spend/Net sales, %

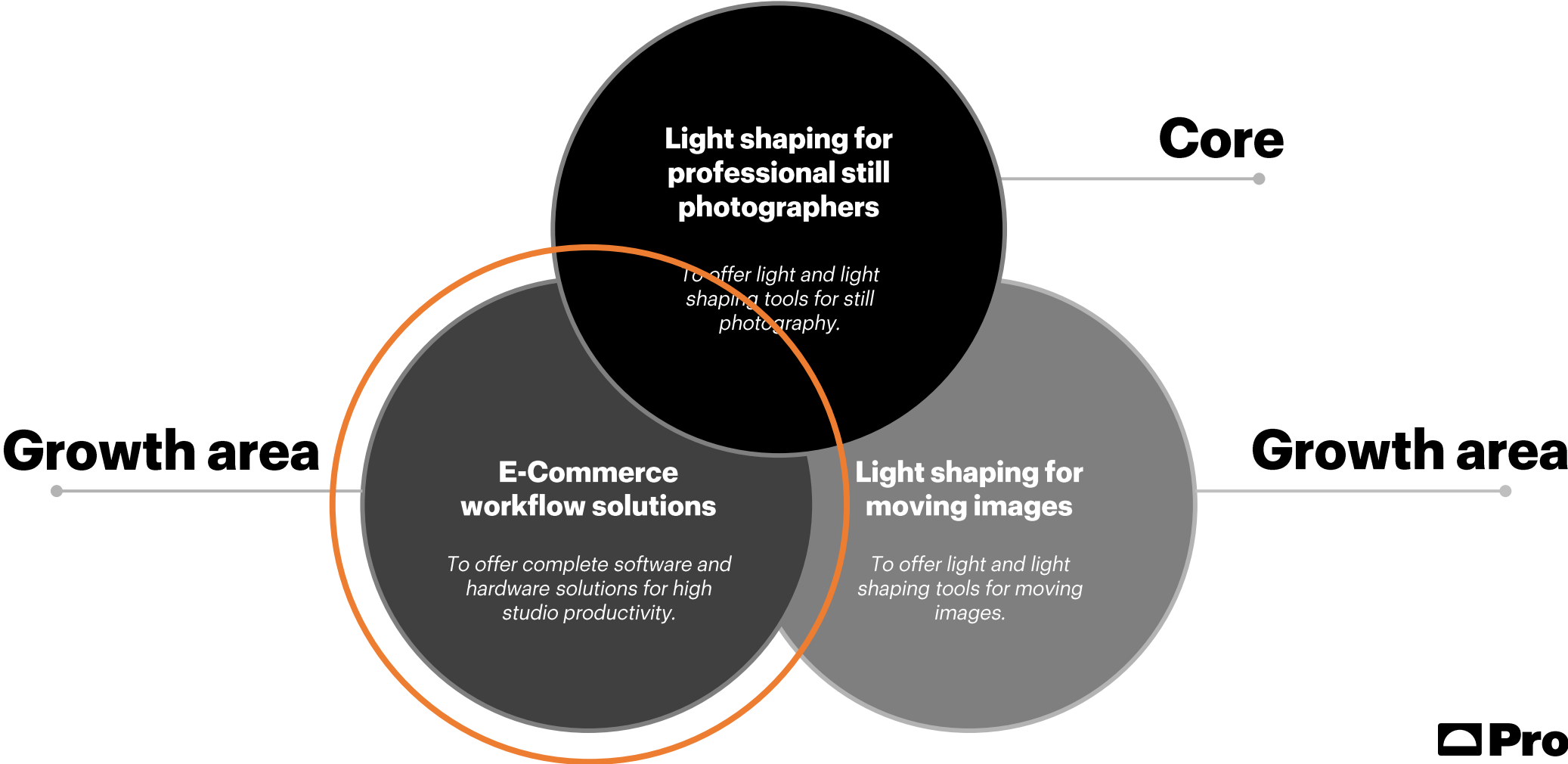
■ Share of sales of products launched for the last three years



We aim to grow in our core market while also investing in new growth areas



During the quarter we have broadened our offering within e-commerce workflow solutions



Launched Creative Automation – unique solution that enable studios to combine creativity with productivity



Automation “All in one”



Creative Automation



Modular flexibility

Software

Scalable end-to-end solutions.

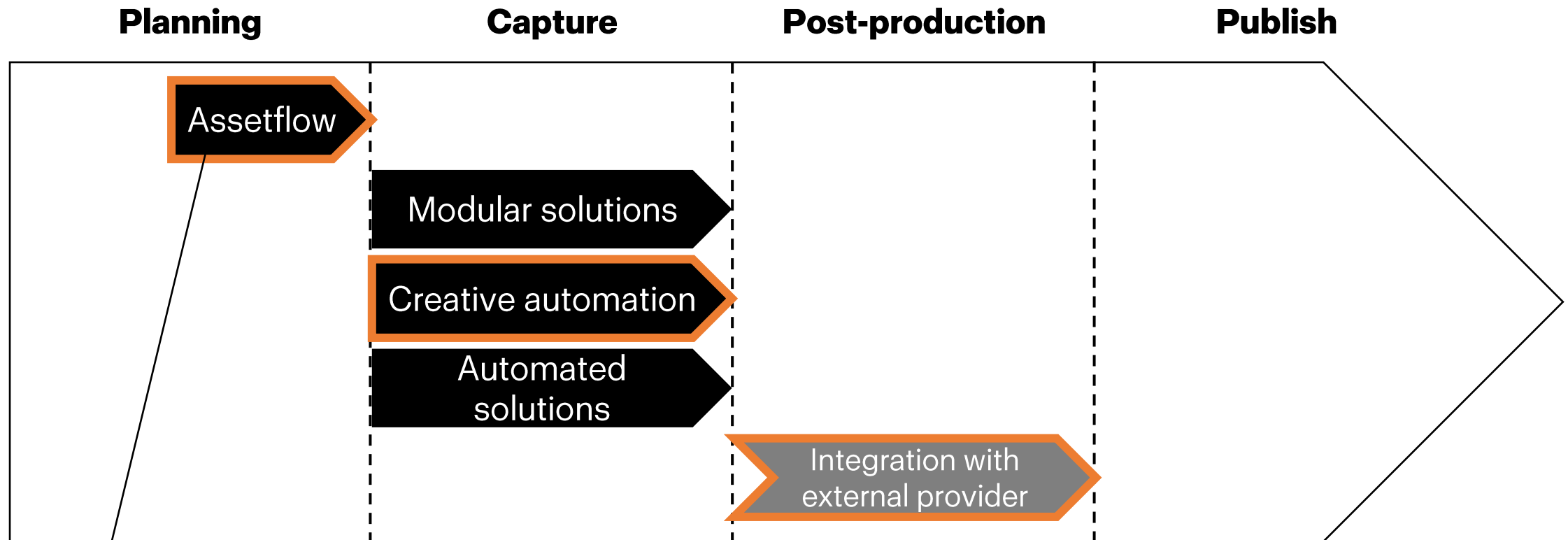
Higher need for productivity

For stills and video. For everything from flat lays to editorials.

Higher need for creativity

End-to-end offering for content creation process

E-com photography



Unique workflow software integrated with hardware for planning and managing high quality, high volume visual content productions.

Financial performance

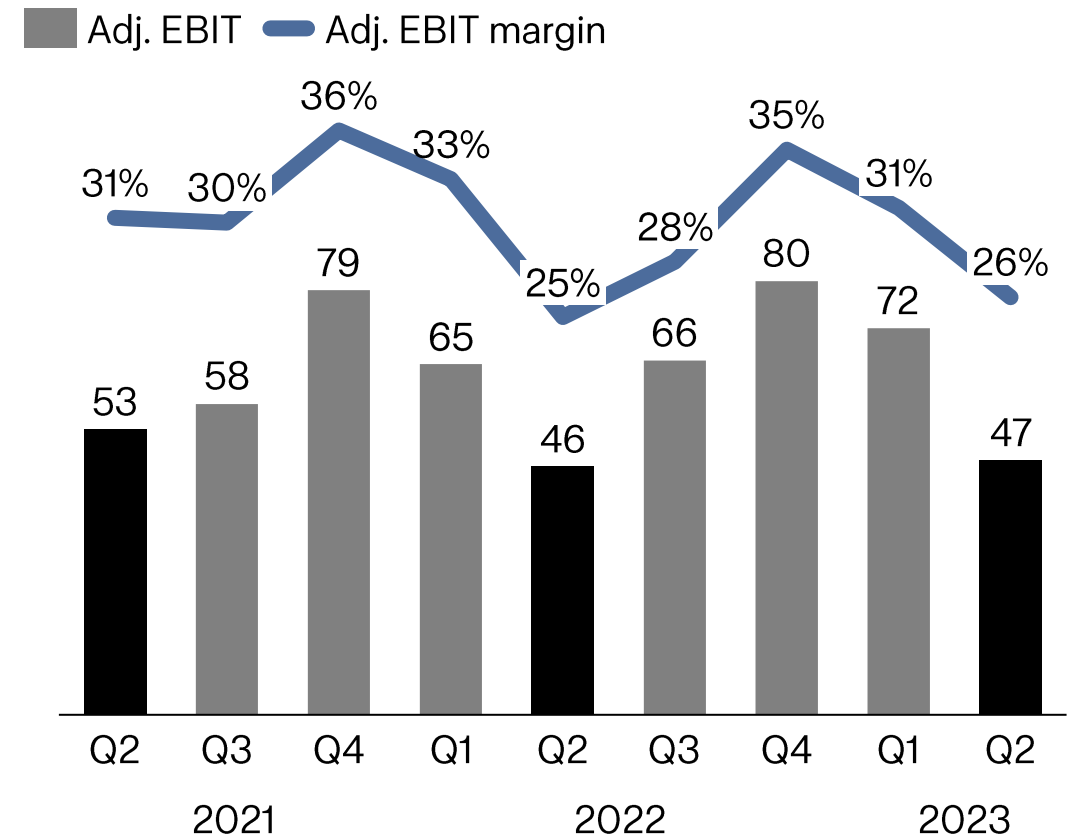
Q2 2023

Profitability within financial targets

EBIT Q2
SEK 47m (48)
-2%

Net sales Q2
SEK 182m (187)
-2%¹

EBIT margin Q2
26% (26)



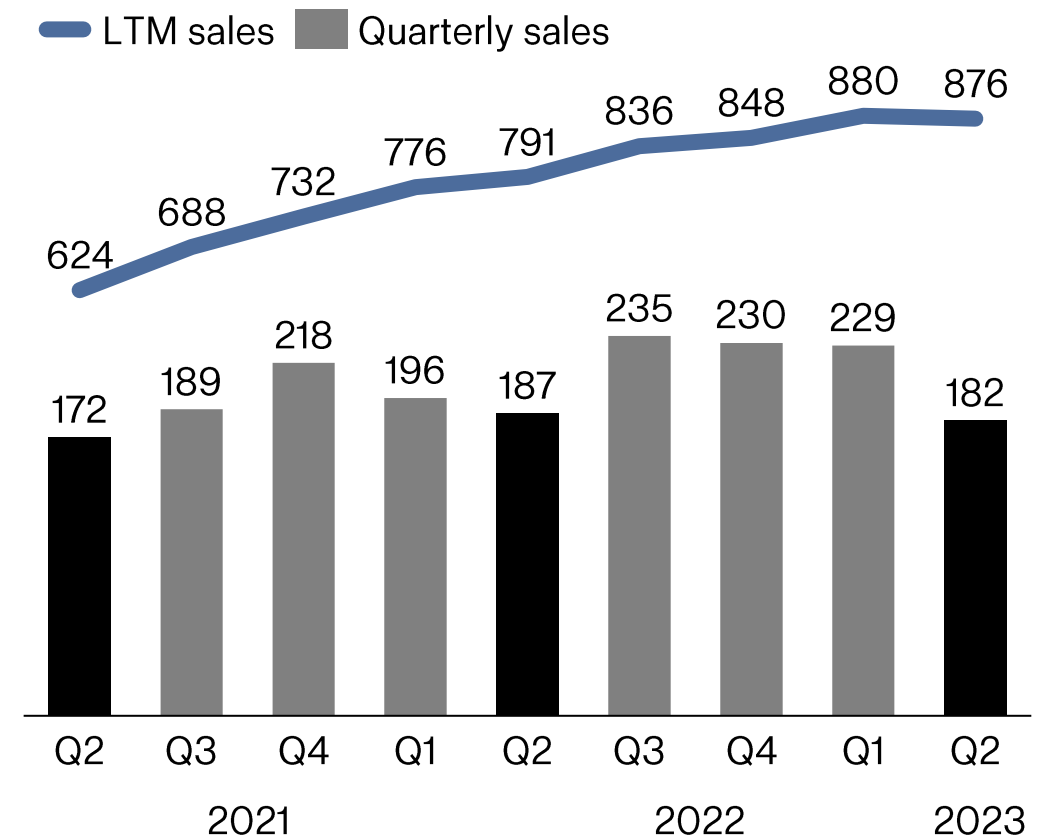
LTM

Profitable LTM with 11% EBIT growth and organic sales growth down 4%

EBIT LTM
SEK 265m (239)
+11%

Net sales LTM
SEK 876m (791)
+7%¹

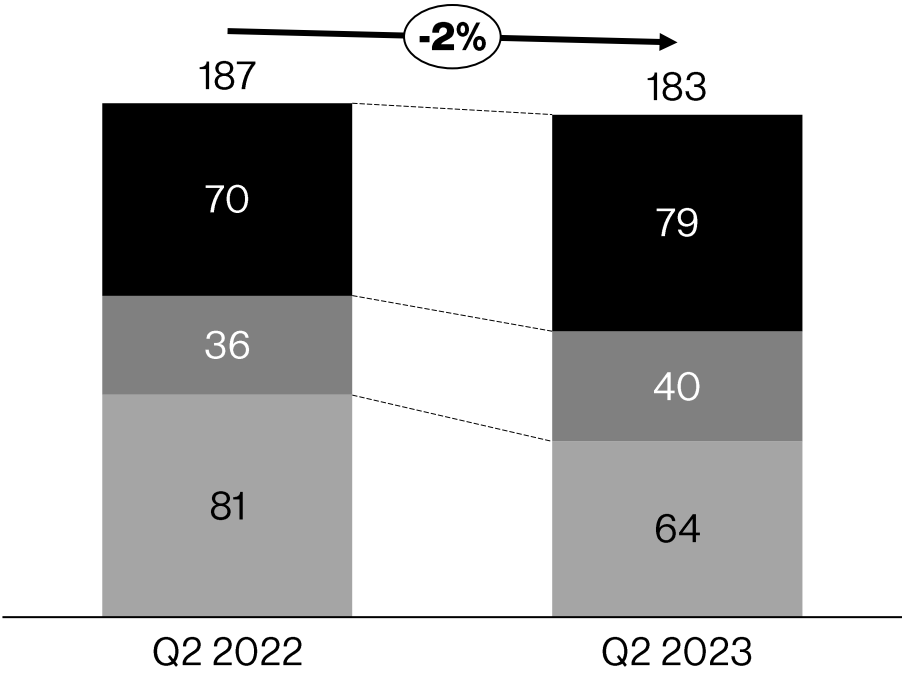
EBIT margin LTM
30% (30)



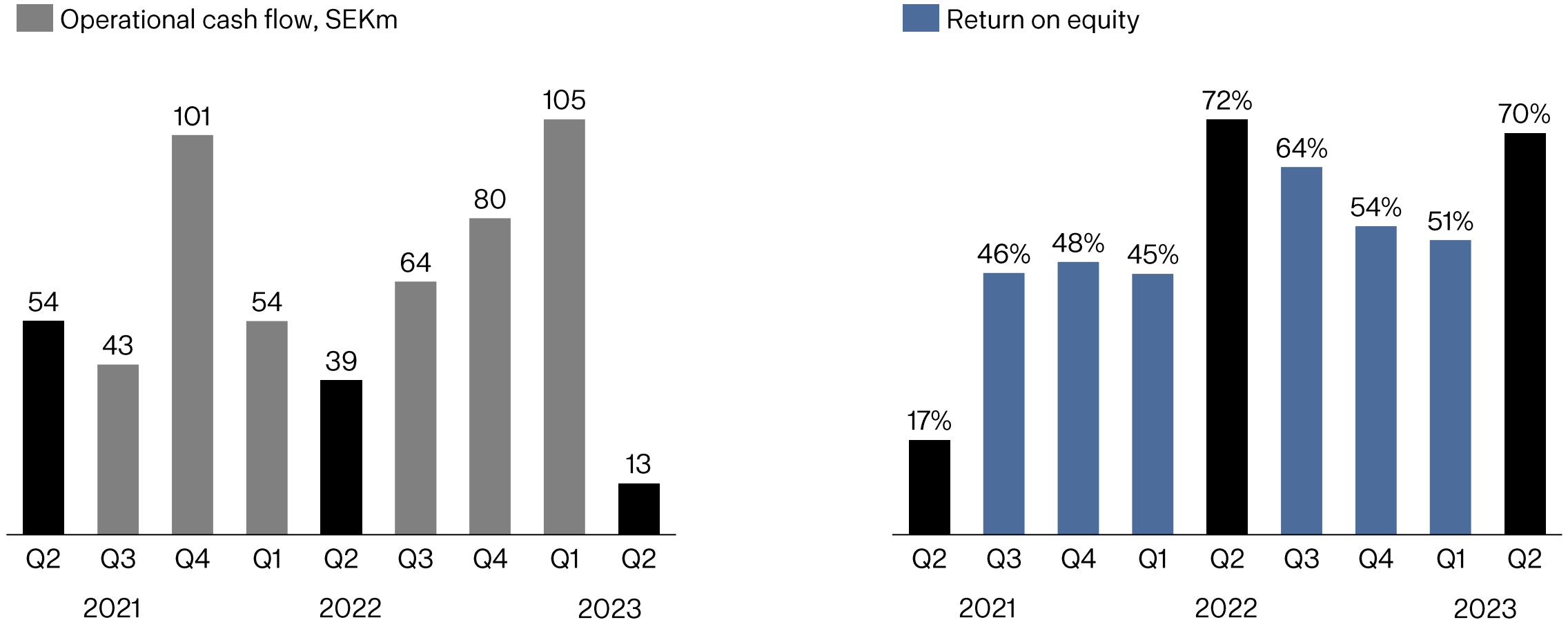


Low demand in EMEA - Driving negative sales growth

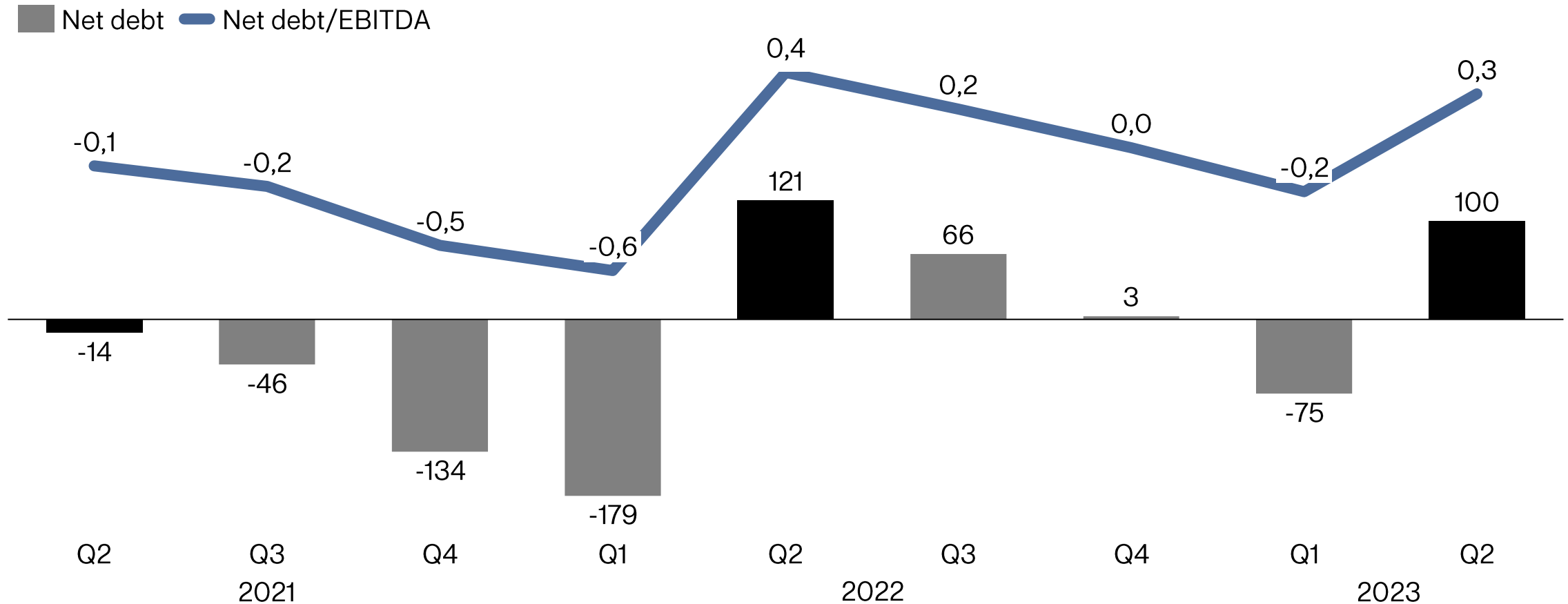
■ Americas ■ APAC ■ EMEA



Strong ROE but weak cash flow driven by weaker EBIT



Strong balance sheet with low leverage gives strategic flexibility



Well within profitability target, lower organic growth due to general market uncertainty

	Target	Q2 2023	YTD 2023
Organic net sales growth	10%	-9%	-4%
EBIT margin	25-30%	26%	29%
Dividend policy	> 50%		

Questions



Third quarter report, November 7, 2023

Head of IR



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