

# Interim Report

January 1 – June 30, 2024

## Financial summary April–June 2024

- Net sales totaled SEK 196m (182), an increase of 7.3 percent. Organic growth totaled 7.6 percent, and the currency effect, -0.3 percent.
- EBIT totaled SEK 36m (47) and the EBIT margin totaled 18.5 percent (25.8).
- Profit for the period was SEK 28m (36).
- The return on operating capital totaled 34.0 percent (65.4).
- Cash flow from operating activities totaled SEK 34m (13).
- Earnings per share (basic and diluted)<sup>1</sup> totaled SEK 0.70 (0.89).

## Financial summary January–June 2024

- Net sales totaled SEK 366m (411), a decrease of 10.9 percent. Organic growth totaled -10.4 percent, and the currency effect, -0.5 percent.
- EBIT totaled SEK 70m (119) and the EBIT margin was 19.2 percent (28.9).
- Profit for the period totaled SEK 55m (92).
- Cash flow from operating activities totaled SEK 46m (118).
- Earnings per share (basic and diluted)<sup>1</sup> totaled SEK 1.37 (2.29).

### Net sales LTM

**SEK 742m**  
(SEK 876m)

### EBIT LTM

**SEK 156m**  
(SEK 265m)

### EBIT margin LTM

**21.0%**  
(30.2%)

### Return on operating capital LTM

**34.0%**  
(65.4%)

For information and explanations regarding alternative performance measures, see pages 19–20.

1) Calculated based on 40,000,000 ordinary shares before and after dilution.

All amounts are recognized in millions of SEK (SEKm) unless otherwise stated. Rounding differences of SEKm +/-1 may occur when adding up figures. Figures in parentheses represent the same period in the previous year.

## Key ratios, Group

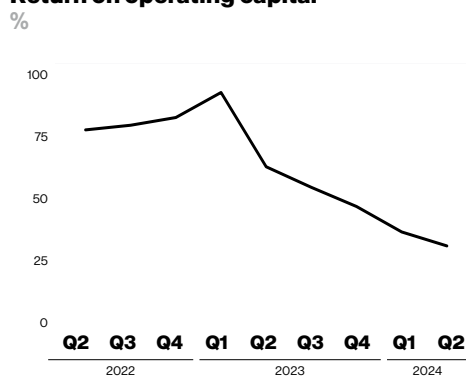
	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jul 2023 - Jun 2024	Full year 2023
Net sales, SEKm	196	182	366	411	742	787
Organic growth <sup>1</sup> , %	7.6	-8.5	-10.4	-3.8	-15.8	-12.6
EBITA, SEKm	45	61	89	147	200	258
EBITA margin, %	23.2	33.6	24.3	35.7	27.0	32.8
EBIT, SEKm	36	47	70	119	156	204
EBIT margin, %	18.5	25.8	19.2	28.9	21.0	26.0
Profit/loss for the period, SEKm	28	36	55	92	126	155
Cash flow from operating activities, SEKm	34	13	46	118	119	211
Net debt <sup>2</sup> , SEKm	206	100	206	100	206	44
Net debt/EBITDA LTM	0.92	0.29	0.92	0.29	0.92	0.16
Return on capital employed, %	30.4	55.4	30.4	55.4	30.4	37.9
Return on operating capital, %	34.0	65.4	34.0	65.4	34.0	49.0
Earnings per share, SEK <sup>3</sup>	0.70	0.89	1.37	2.29	2.96	3.88

1) For information and explanations regarding alternative performance measures, see pages 19-20.

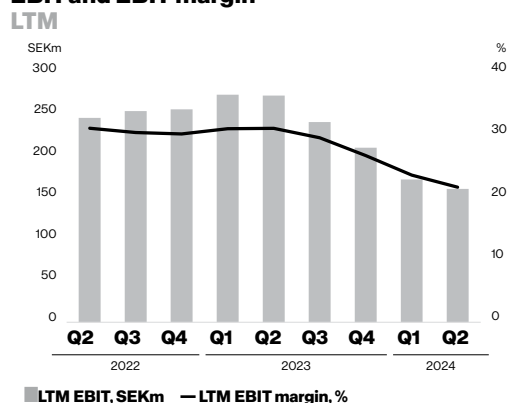
2) A negative amount indicates a positive net cash position.

3) Calculated based on 40,000,000 ordinary shares before and after dilution.

## Return on operating capital



## EBIT and EBIT margin



# Growth from product launches. Continued investments in market and products.

A number of product launches generated organic sales growth of 8 percent, to SEK 196m, in a market which continued to be cautious. Both EMEA and APAC grew by 15 percent, while the Americas declined by 4 percent compared to a strong comparison quarter. The EBIT margin was negatively impacted by costs for marketing activities and product development and amounted to 19 percent (26).

## Product launches drove growth despite slowing demand in the quarter

During the quarter, we launched several new products, most notably our new monolight Pro-D3, but also six new light shapers. These new products were well received by retailers and photographers, allowing us to show growth after a number of quarters of declining sales. In connection with the product launches, we have had a very high level of activity in the market and higher marketing costs.

As in recent quarters, professional photographers and large studios alike continued to be cautious about investing in equipment, due to the uncertain macroeconomic environment and high interest rates. Underlying demand for our products therefore remains subdued in all our regions.

## Continued focus on product launches

I am very proud of the goal-oriented work behind the launches during the quarter and happy that it has paid off. As I mentioned earlier, I see this as the start of a very exciting time with more frequent product launches than we have had in the last two years. The growth during the quarter gives me confidence to continue to invest heavily in innovation and we are planning a number of product launches across all our growth segments in the coming year. To maximize the impact of these planned launches, we are also continuing ongoing development of how we launch and sell our products, especially in the segments of lighting for film production and solutions for large studios.

## First product for film production unveiled

At the beginning of June, we presented our first product for film production, the L1600D, during CineGear at Warner Bros studios in Burbank, California. The initial response to our product and positioning was positive, and we see this as the first of a number of products aimed at this segment. We expect to start delivering the L1600D towards the end of the year.

With this positive response, we are continuing to invest in additional products for this segment. This effort also requires a new marketing and sales organization, which we are establishing in Los Angeles.

To summarize, the macroeconomic environment remains uncertain, and I am dissatisfied with the low profitability we showed in the quarter. At the same time, I am proud that our organization has worked so determinedly on what we can influence ourselves and that this diligent work has led to product launches and growth.



I am confident that our investments in innovation and our disciplined way of working will continue to pay off, and I stand by our financial targets of at least 10 percent organic growth and 25–30 percent EBIT margin over time.

Sundbyberg, July 17, 2024

**Anders Hedebark**  
President and CEO

# Financial Overview

## Q2, April 1 – June 30, 2024

### Net sales

Net sales for the second quarter totaled SEK 196m (182), an increase of 7.3 percent compared to the corresponding quarter in the previous year. Organic growth totaled 7.6 percent, and currency effect, -0.3 percent.

Product launches in the second quarter had a positive impact on sales and enabled growth. However, this was offset by continued challenging macro-economic conditions such as declining consumption and high interest rates. We noted a degree of cautiousness among our e-commerce customers and professional photographers, which affected the demand for our entire product portfolio.

### Regions\*

Demand in all regions remained subdued during the quarter, but sales were positively affected by product launches. Sales in EMEA totaled SEK 73m (64), representing an increase of 14.1 percent compared to the previous year. Sales for APAC totaled SEK 46m (40), an increase of 15.0 percent. Sales in the Americas totaled SEK 76m (79), corresponding to a decrease of 3.8 percent. For further information on sales by region, see note 2 on page 15.

### Operating profit/loss (EBIT)

Second quarter EBIT totaled SEK 36m (47), corresponding to an EBIT margin of 18.5 percent (25.8). The decrease in EBIT compared to the previous year is mainly due to higher costs related to marketing activities and product development.

Capitalized work for own account increased to SEK 31m from SEK 19m compared to the previous year as a result of an increased rate of investment in product development, which is also reflected in higher other external costs. Compared to the previous year, personnel expenses fell by SEK 1m, totaling SEK 44m (45). Other external costs totaled SEK 66m (41). The increase in costs is mainly explained by the increased focus on product development as well as marketing activities.

Depreciation/amortization totaled SEK 15m (20), of which SEK 5m (6) was attributable to property, plant and equipment and SEK 9m (14) to intangible fixed assets. Amortization of intangible fixed assets included SEK 4m (9) in capitalized development expenditure, SEK 4m (4) in surplus value from acquisitions and SEK 1m (2) in other intangible assets.

### Financial items

Net financial items were negative, totaling SEK 1m (1). Interest income totaled SEK 0m (1), net unrealized exchange rate losses totaled 1m (0), and interest expenses related to lease liabilities and liabilities to credit institutions totaled SEK 3m (2).

### Profit for the period and tax expenses

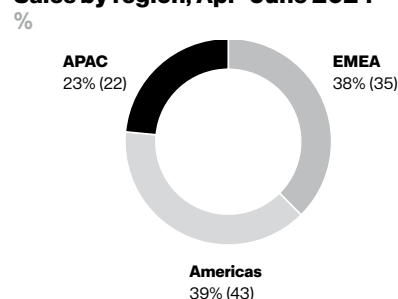
Profit for the period was SEK 28m (36). Tax expenses were SEK 5m (11), of which SEK 1m (10) was current tax and SEK 4m (1) changes in deferred tax. The tax expense in the quarter was positively impacted by an adjustment in tax for the prior year. The effective tax rate for the period totaled 15.7 percent (23.3).

\* Data on change in sales for the regions show only the relative change in net sales.

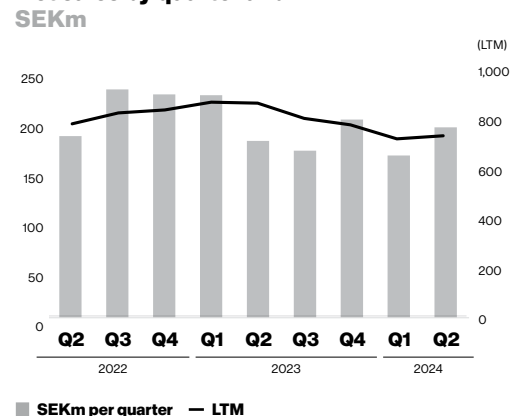
### Change in net sales

	Apr-Jun 2024
Organic growth	7.6
Acquisitions	-
Currency effect	-0.3
<b>Total</b>	<b>7.3</b>

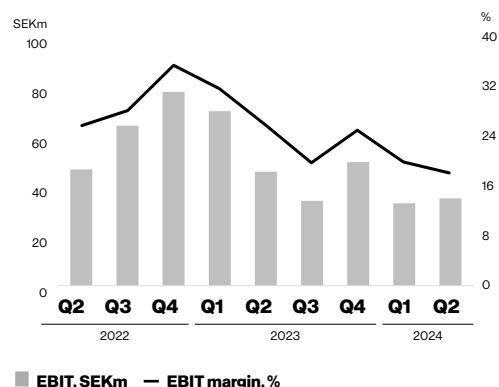
### Sales by region, Apr-June 2024



### Net sales by quarter and LTM



### EBIT and EBIT margin



## First half-year, January 1 – June 30, 2024

### Net sales

Net sales for the first half of the year totaled SEK 366m (411), a decrease of 10.9 percent compared to the corresponding period last year. Organic growth totaled -10.4 percent, and currency effect, -0.5 percent. Sales in the first six months continued to be affected by macroeconomic factors such as declining consumption and high interest rates. Caution was noted among our e-commerce customers and professional photographers, which affected the demand for our entire product portfolio. Sales were positively impacted, especially in the second quarter when growth was noted, by a major product launch in May.

### Regions\*

Demand in all regions remained subdued in the first half of the year, but sales were positively impacted in all regions by product launches in the second quarter. Sales in EMEA totaled SEK 136m (152), a decrease of 10.5 percent compared to the previous year. Sales for APAC totaled SEK 77m (82), a decline of 6.1 percent. Sales in the Americas totaled SEK 153m (177), corresponding to a decrease of 13.6 percent. Interest rate and economic uncertainty were the main reasons for the negative development. For further information on sales by region, see note 2 on page 15.

### Operating profit/loss (EBIT)

EBIT for the first six months totaled SEK 70m (119), corresponding to an EBIT margin of 24.3 percent (35.7). The decrease in EBIT compared to the previous year was mainly the result of lower sales.

Capitalized work for own account increased from SEK 52m to SEK 33m compared to the previous year as a result of an increased rate of investment in product development. Compared to the previous year, personnel expenses increased by SEK 4m and totaled SEK 87m (83). Other external costs totaled SEK 114m (88). The increase is mainly explained by increased investment in product development and innovation, as well as higher marketing costs associated with the launch of new products.

Depreciation/amortization totaled SEK 30m (39), of which SEK 12m (11) was attributable to property, plant and equipment and SEK 19m (28) to intangible fixed assets. Amortization of intangible fixed assets included SEK 9m (16) of amortization of capitalized development costs, SEK 8m (8) of amortization of surplus value from acquisitions, and SEK 2m (3) of amortization of other intangible assets.

### Financial items

Net financial items were negative, totaling SEK 2m (2). Interest income totaled SEK 0m (1), net unrealized exchange rate gains totaled SEK 0m (0), and interest expenses related to lease liabilities and liabilities to credit institutions totaled SEK 5m (3).

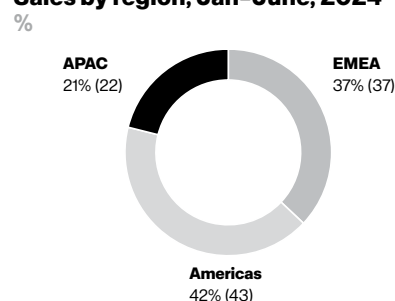
### Profit for the period and tax expenses

Profit for the period totaled SEK 55m (92). The tax expense was SEK 13m (25), of which SEK 2m (25) was current tax and SEK 11m (-) was the change in deferred tax. The effective tax rate for the period totaled 23.3 percent (27.0).

### Change in net sales

	Jan-Jun 2024
Organic growth	-10.4
Acquisitions	-
Currency effect	-0.5
<b>Total</b>	<b>-10.9</b>

### Sales by region, Jan-June, 2024



1) For information and explanations regarding alternative performance measures, see pages 19–20.

# Financial Position and Other Information

## Product development and other investments

Total expenditure on product development and technology in the second quarter totaled SEK 35m (25). Of this, SEK 23m (19) was capitalized as capitalized development expenditure and SEK 8m (0) as other intangible fixed assets. In total, the book value of capitalized development expenditure was SEK 169m (118), other intangible fixed assets was SEK 14m (5), and technology was SEK 68m (86) as of June 30, 2024. Product development expenses in the second quarter totaled SEK 4m (6). Expenditure incurred mainly related to product maintenance costs, prestudy phase projects and project-wide administrative costs not attributable to the development of specific products. During the quarter, SEK 2m (3) was invested in tools and equipment mainly related to ongoing development projects. During the first half of the year, Profoto initiated activities to combat patent infringement in China and the USA.

## Working capital, liquidity and cash flow

Inventories at the end of the second quarter amounted to SEK 161m (138), and accounts receivable totaled SEK 77m (87). Accounts payables amounted to SEK 57m (49). Cash flow from operating activities for the second quarter totaled SEK 34m (13) during the quarter.

## Return on operating capital

EBIT LTM as of June 30, 2024, totaled SEK 156m (265), while operating capital LTM totaled SEK 459m (405). The return on operating capital thus totaled 34.0 percent (65.4). For further information and an explanation, see alternative performance measures on page 18.

## Financial position and liquidity

On June 30, consolidated equity totaled SEK 300m (450). Cash and cash equivalents totaled SEK 64m (47). The Group had a net debt of SEK 206m (100). Interest-bearing liabilities totaled SEK 270m (146). The available and undrawn RCF loan was SEK 100m at the end of the first six months. Lease liabilities totaled SEK 37m (45).

## Financial targets

*The Group's financial targets focus on growth, profitability and dividend level and are defined as:*

- 1) Net sales growth: Over time, achieve annual organic net sales growth of over 10 percent in constant currency.
- 2) Profitability: Achieve an EBIT margin of 25–30 percent, while maintaining year-on-year growth in EBIT.
- 3) Dividend policy: Aim to pay out at least 50 percent of net profit, while taking into account other factors such as financial position, cash flow and growth opportunities.

## Employees

The average number of employees in the second quarter of 2024 was 137 (136), of which 67 (72) were employed in sales companies in China, Japan, USA, Germany, France, the UK and the Netherlands.

## Significant events April–June

There were no other significant events during the period.

## Owners

On June 30, 2024, Profoto had 1,593 shareholders, of which the ten largest were:

Owners	Number of shares	%
Anders and Helén Hedebark	15,252,321	38.1
Conny Dufgran	6,106,000	15.3
Herenco Holding AB	4,411,148	11.0
Lannebo Fonder	3,340,918	8.4
Svolder	2,100,000	5.3
Hans Eckerström	1,230,508	3.1
Aeternum Capital AS	650,000	1.6
Deka Investments	509,105	1.3
Investment AB Spiltan	435,000	1.1
Life insurance company Skandia	399,185	1.0

## The Profoto share

Profoto Holding AB (publ) has been listed on the Nasdaq OMX Stockholm Mid Cap list since July 1, 2021. The number of shares amounts to 40m. A list of the largest shareholders is updated on the company's website <https://investors.profoto.com> at the end of each month.

## Parent Company

Profoto Holding AB (publ), with registration number 556810-9879, is the Parent Company of the Group.

The Parent Company is a holding company with management fees to other Group companies of SEK 5.0m (4.5) as its only income in the second quarter, and with personnel expenses and other external expenses related to management of the Group as expenses.

Operating profit/loss (EBIT) totaled SEK -0.6m (-1.3) for the second quarter. Current assets totaled SEK 4.6m (4.2) and total current liabilities amounted to SEK 180.1m (175.3). Other noncurrent liabilities at the end of the second quarter totaled SEK 4.0m (8.8). The noncurrent portion of the vendor note from the acquisition of StyleShoots has decreased as a result of scheduled amortization of part of the debt in the second quarter of 2024. The remaining debt is scheduled to be fully repaid by April 2025.

**Significant risks and uncertainties**

Profoto Group is an international group exposed to operational risks, industry and market-related risks, legal and tax risks, as well as financial risks and sustainability and climate risks.

Current market turmoil such as inflation, high interest rates and geopolitical conflicts have contributed to market uncertainty, which may have a negative effect on Profoto's sales and earnings.

Risk management is a normal part of business and helps to create added value. Risk management is monitored by management and reported to the Board of Directors, which bears the ultimate responsibility.

A more comprehensive description of the risks can be found in the 2023 Annual and Sustainability Report available at <https://investors.profoto.com>.

# Signatures

The Board of Directors and the President and Chief Executive Officer hereby declare that this interim report provides a true and fair view of the Parent Company's and the Group's operations,

position and earnings, and also describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Sundbyberg, July 17, 2024

**Hans Eckerström**  
Chairman of the Board

**Magnus Brännström**  
Board member

**Pernilla Ekman**  
Board member

**Anders Hedebark**  
Board member  
Chief Executive Office

**Helena Holmgren**  
Board member

**Helene Willberg**  
Board member

## Auditor's review

This interim report has not been audited by the company's auditor.



# Other information

## About Profoto

Profoto was founded more than 50 years ago and has since then been a world leader in lighting equipment for professional photographers, driving innovation and awareness of how to create better images through light. We know that light is the indispensable source in all image creation – whatever the camera or situation. Creating great images is about mastering and shaping light. The end users are professional photographers and commercial customers, including major consumer brands and e-commerce companies. The company currently has sales in 54 countries worldwide. Net sales in 2023 totaled SEK 787m, with an EBIT margin of 26 percent. Profoto has approximately 140 employees at its headquarters in Stockholm and in subsidiaries in the US, Japan, China, Germany, France, England and the Netherlands.

## Financial calendar

Interim Report Q3 2024 – October 24, 2024

Year-End Report 2024 – February 6, 2025

## Conference call

Profoto Holding AB (publ) will publish its interim report for the second quarter of 2024 on Wednesday, July 17, at 8:00 a.m. CEST. At 10:00 a.m. CEST the same day, a webcast teleconference will be held in which Anders Hedebark, President and CEO, will present the report together with the CFO, Carl Bandhold. The presentation will be followed by a Q&A session. The presentation will be held in English. If you wish to participate via the webcast, please use the link below.

<https://ir.financialhearings.com/profoto-q2-report-2024>

If you wish to participate via teleconference, please register via the link below. After registering, you will receive a phone number and a conference ID to log in to the conference. The teleconference provides an opportunity to ask questions in real time.

<https://conference.financialhearings.com/teleconference/?id=50048837>

## For further information, please contact

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+46 (0) 702 96 76 97

### Amanda Åström, Investor Relations

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+46 (0) 736 79 34 48

This information is insider information that Profoto Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted, through the above contacts, for publication on July 17, 2024, at 8:00 a.m. CEST.

# Consolidated Financial Statements

## Consolidated statement of profit and loss

SEKm	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales	2	196	182	366	411	787
Other income		16	10	33	13	32
<b>Total revenue</b>		<b>212</b>	<b>193</b>	<b>399</b>	<b>424</b>	<b>819</b>
Capitalized work for own account		31	19	52	32	70
Goods		-63	-50	-119	-116	-226
Other external expenses		-66	-41	-114	-88	-185
Personnel expenses		-44	-45	-87	-83	-159
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-15	-20	-30	-39	-77
Other operating expenses		-18	-8	-30	-11	-37
<b>Operating profit/loss (EBIT)</b>		<b>36</b>	<b>47</b>	<b>70</b>	<b>119</b>	<b>204</b>
<b>Finance income and costs</b>						
Finance income		2	1	4	2	3
Finance costs		-4	-1	-7	-4	-10
<b>Profit/loss before tax</b>		<b>33</b>	<b>46</b>	<b>67</b>	<b>116</b>	<b>197</b>
Tax		-5	-11	-13	-25	-42
<b>Profit/loss for the period</b>		<b>28</b>	<b>36</b>	<b>55</b>	<b>92</b>	<b>155</b>
<i>Attributable to:</i>						
Owners of the Parent Company		28	36	55	92	155
Basic and diluted earnings per share <sup>1</sup> , SEK		0.70	0.89	1.37	2.29	3.88

1) Calculated on the basis of 40,000,000 ordinary shares, basic and diluted.

## Consolidated statement of comprehensive income

SEKm	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Profit/loss for the period		28	36	55	92	155
<i>Other comprehensive income items that may be reclassified to the consolidated statement of profit and loss:</i>						
Translation differences for the period		-1	5	-2	7	6
<b>Total comprehensive income for the period</b>		<b>27</b>	<b>41</b>	<b>53</b>	<b>99</b>	<b>161</b>
<i>Attributable to:</i>						
Parent Company shareholders		27	41	53	99	161

## Consolidated statement of financial position

SEKm	Note	June 30 2024	June 30 2023	Dec 31, 2023
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
<b>Intangible fixed assets</b>				
	4			
Capitalized development expenditure		169	118	137
Technology, customer assets and brand		68	86	74
Other intangible assets		14	5	5
Goodwill		130	135	128
<b>Total intangible assets</b>		<b>381</b>	<b>344</b>	<b>343</b>
<b>Property, plant and equipment</b>				
Leased assets		36	48	40
Equipment, tools and installations		33	27	31
Leasehold improvements		1	1	0
<b>Total property, plant and equipment</b>		<b>70</b>	<b>75</b>	<b>71</b>
<b>Financial assets</b>				
		<b>3</b>	<b>2</b>	<b>2</b>
<b>Deferred tax assets</b>				
		<b>20</b>	<b>20</b>	<b>24</b>
<b>Total noncurrent assets</b>		<b>475</b>	<b>441</b>	<b>441</b>
<b>Inventories</b>				
		<b>161</b>	<b>138</b>	<b>164</b>
<b>Current receivables</b>				
Accounts receivable		77	87	78
Current tax assets		32	4	7
Other current assets		3	6	8
Prepayments and accrued income		8	11	7
<b>Total current receivables</b>		<b>120</b>	<b>108</b>	<b>100</b>
<b>Cash and cash equivalents</b>				
		<b>64</b>	<b>47</b>	<b>95</b>
<b>Total current assets</b>		<b>346</b>	<b>293</b>	<b>358</b>
<b>TOTAL ASSETS</b>		<b>821</b>	<b>734</b>	<b>799</b>

## Cont. Condensed consolidated statement of financial position

SEKm	Note	June 30 2024	June 30 2023	Dec 31, 2023
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>300</b>	<b>330</b>	<b>396</b>
<b>Noncurrent liabilities</b>				
Liabilities to credit institutions		–	3	1
Other noncurrent liabilities		4	11	8
Lease liabilities		28	35	31
Provisions		7	8	8
Deferred tax liabilities		112	97	104
<b>Total noncurrent liabilities</b>		<b>151</b>	<b>154</b>	<b>152</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		220	77	79
Lease liabilities		9	12	10
Provisions		11	18	12
Accounts payable		57	43	59
Current tax liabilities		0	15	6
Other current liabilities		21	33	25
Accrued expenses and deferred income		52	53	59
<b>Total current liabilities</b>		<b>370</b>	<b>251</b>	<b>250</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>821</b>	<b>734</b>	<b>799</b>

## Consolidated statement of changes in equity

SEKm	Share capital	Translation reserve	Other contributed capital	Retained earnings including profit/loss for the period	Total equity
<b>Opening balance at January 1, 2024</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>386</b>	<b>396</b>
Profit/loss for the period	–	–	–	55	55
Total other comprehensive income	–	-2	–	–	-2
<b>Total comprehensive income</b>	<b>–</b>	<b>-2</b>	<b>3</b>	<b>55</b>	<b>53</b>
Option premiums	–	–	1	–	1
Dividend to shareholders	–	–	–	-150	-150
<b>Closing balance June 30, 2024</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>291</b>	<b>300</b>
<b>Opening balance January 1, 2023</b>	<b>1</b>	<b>0</b>	<b>–</b>	<b>390</b>	<b>391</b>
Profit/loss for the period	–	–	–	92	92
Total other comprehensive income	–	7	–	–	7
<b>Total comprehensive income</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>92</b>	<b>99</b>
Dividend to shareholders	–	–	–	-160	-160
<b>Closing balance June 30, 2023</b>	<b>1</b>	<b>7</b>	<b>–</b>	<b>322</b>	<b>330</b>

**Consolidated statement of cash flows**

SEKm	Note	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
<b>Cash flow from operating activities</b>						
Operating profit/loss		36	47	70	119	204
Adjustments for items not affecting the cash flow:						
Depreciation, amortization and impairment of noncurrent assets		15	20	30	39	77
Adjustments for other noncash items		6	-4	10	-3	-3
Interest received		0	1	1	1	2
Interest paid		-3	-2	0	-3	-7
Income tax paid		-10	-13	-32	-31	-54
<b>Cash flow from operating activities before changes in working capital</b>		<b>44</b>	<b>49</b>	<b>74</b>	<b>122</b>	<b>218</b>
<b>Changes in working capital</b>						
Decrease (+)/increase (-) in inventories		-13	0	-4	0	-31
Decrease (+)/increase (-) in accounts receivable		-3	-14	-0	9	19
Decrease (+)/increase (-) in other receivables		-15	-6	-13	-3	-2
Decrease (-)/increase (+) in accounts payable		24	-6	6	-10	8
Decrease (-)/increase (+) in other current liabilities		3	-10	-17	0	-2
<b>Cash flow from operating activities</b>		<b>34</b>	<b>13</b>	<b>46</b>	<b>118</b>	<b>211</b>
<b>Investing activities</b>						
Investments in intangible fixed assets		-31	-19	-52	-40	-78
Acquisition of property, plant and equipment		-2	-3	-9	-6	-14
Acquired subsidiary		-	-	-	-	-17
Investments in other financial assets		-	-	-	-	-
<b>Cash flow from investing activities</b>		<b>-33</b>	<b>-22</b>	<b>-62</b>	<b>-46</b>	<b>-109</b>
<b>Financing activities</b>						
Repayment of external loans		-3	-19	-16	-23	-15
Amortization of leasing liability		-4	-4	-1	-7	-14
New loans		159	1	159	15	31
Payment of option premiums		1	-	1	-	3
Dividends paid		-150	-160	-150	-160	-160
<b>Cash flow from financing activities</b>		<b>3</b>	<b>-181</b>	<b>-15</b>	<b>-174</b>	<b>-155</b>
Cash flow for the period		3	-190	-31	-102	-53
Cash and cash equivalents at beginning of period		60	237	95	150	150
Exchange rate differences in cash and cash equivalents		1	-1	0	-1	-2
<b>Cash and cash equivalents at end of period</b>		<b>64</b>	<b>47</b>	<b>64</b>	<b>47</b>	<b>95</b>

# Parent Company Financial Statements

## Parent Company Income Statement

SEKm	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales		5.0	4.6	10.0	8.2	18.2
<b>Operating expenses</b>						
Other external expenses		-1.6	-2.4	-3.0	-4.9	-6.8
Personnel expenses		-4.0	-3.6	-8.2	-5.9	-13.5
Other operating expenses		-	-0.0	-	0.0	-
<b>Operating profit/loss (EBIT)</b>		<b>-0.6</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-2.6</b>	<b>-2.2</b>
<b>Profit/loss from financial items</b>						
Income from participations in Group companies		-	-	-	-	140.0
Interest income and similar income statement items		2.7		0.0		11.8
Interest and similar expenses		0.0	-8.8	-4.7	-11.6	-11.6
<b>Profit after financial items</b>		<b>2.1</b>	<b>-10.2</b>	<b>-6.0</b>	<b>-14.2</b>	<b>138.0</b>
Appropriations		-	-	-	-	-0.6
<b>Profit/loss before tax</b>		<b>2.1</b>	<b>-10.2</b>	<b>-6.0</b>	<b>-14.2</b>	<b>137.4</b>
Tax on profit/loss for the period		-0.5	2.3	1.5	3.2	0.5
<b>Profit/loss for the period</b>		<b>1.6</b>	<b>-7.9</b>	<b>-4.5</b>	<b>-11.0</b>	<b>137.9</b>

## Parent Company balance sheet

SEKm	Note	June 30 2024	June 30 2023	Dec 31, 2023
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
<b>Financial assets</b>				
Participations in Group companies		217.3	217.3	217.3
<b>Total noncurrent assets</b>		<b>217.3</b>	<b>217.3</b>	<b>217.3</b>
<b>Deferred tax assets</b>		<b>1.9</b>	<b>1.7</b>	<b>1.6</b>
<b>Current assets</b>				
Current tax assets		2.0	3.4	0.7
Other current assets		0.6	0.1	-
Prepayments and accrued income		-	0.6	0.4
<b>Total current receivables</b>		<b>2.6</b>	<b>4.2</b>	<b>1.1</b>
<b>Cash and cash equivalents</b>		-	-	-
<b>Total current assets</b>		<b>2.6</b>	<b>4.2</b>	<b>1.1</b>
<b>ASSETS</b>		<b>221.8</b>	<b>223.1</b>	<b>220.0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital		0.5	0.5	0.5
<b>Total restricted equity</b>		<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>Unrestricted equity</b>				
Share premium reserve		4.2	-	3.1
Retained earnings		37.4	49.5	49.5
Profit/loss for the period		-4.5	-11.0	137.9
<b>Total unrestricted equity</b>		<b>37.2</b>	<b>38.5</b>	<b>190.5</b>
<b>Total equity</b>		<b>37.7</b>	<b>39.0</b>	<b>191.0</b>
<b>Noncurrent liabilities</b>				
Other noncurrent liabilities		4	8.8	8.3
<b>Total noncurrent liabilities</b>		<b>4</b>	<b>8.8</b>	<b>8.3</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		150.0	-	-
Accounts payable		0.3	0.1	0.2
Current liabilities to Group companies	3	10.8	158.4	4.4
Other current liabilities		10.8	10.1	10.0
Accrued expenses and deferred income		8.2	6.7	6.2
<b>Total current liabilities</b>		<b>180.1</b>	<b>175.3</b>	<b>29.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>221.8</b>	<b>223.1</b>	<b>220.0</b>

## Parent Company Statement of Cash Flows

SEKm	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
<b>Cash flow from operating activities</b>						
Operating profit/loss		-0.6	-1.3	-1.2	-2.6	-2.1
Income tax paid		0.2	-0.4	0.1	-0.4	-1.1
<b>Cash flow from operating activities before changes in working capital</b>		<b>-0.4</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-3.0</b>	<b>-3.2</b>
<b>Changes in working capital</b>						
Decrease (+)/increase (-) in other receivables		0.3	0.1	-0.2	-0.1	0.0
Decrease (-)/increase (+) in accounts payable		0.0	-0.7	0.0	-0.4	-0.3
Decrease (-)/increase (+) in other current liabilities		0.0	-0.3	1.3	0.3	0.0
<b>Cash flow from operating activities</b>		<b>0.3</b>	<b>-2.6</b>	<b>1.1</b>	<b>-3.2</b>	<b>-3.5</b>
<b>Investing activities</b>						
Acquired subsidiary		-4.3	-	-4.3	-	-16.5
<b>Cash flow from investing activities</b>		<b>-4.3</b>	<b>-</b>	<b>-4.3</b>	<b>-</b>	<b>-16.5</b>
<b>Financing activities</b>						
Change in intercompany liabilities		3.3	179.1	3.2	179.7	176.9
Borrowing		150.0	-	150.0	-	-
Warrants		1.1	-16.5	1.1	-16.5	3.1
Dividends to shareholders		-150.0	-160.0	-150.0	-160.0	-160.0
<b>Cash flow from financing activities</b>		<b>4.4</b>	<b>2.6</b>	<b>4.3</b>	<b>3.2</b>	<b>20.0</b>
Cash flow for the period		0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at beginning of period		0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at end of period</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



# Notes

## Note 1 Accounting policies and general information

This consolidated interim report was prepared in accordance with IAS 34 "Interim Financial Reporting" and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9. Interim Report in the Swedish Annual Accounts Act. In addition to the financial statements and their notes, information in accordance with IAS 34 is provided in the remaining parts of the interim report.

The same accounting principles and calculation methods used in the previous annual report have been applied to the Group and the Parent Company.

There are no material differences between the fair value and the carrying amount of financial assets or liabilities.

Additional accounting standards applied in 2024 have not had a significant impact on the consolidated financial statements.

## Note 2 Operating segments and allocation of revenue

The Profoto Group consists of a single operating segment. Product development, sourcing, manufacturing and marketing are all managed at the Groupwide level, while sales are conducted in

three regions: EMEA, Americas and APAC. Internal monthly follow-up focuses on the Group as a whole in addition to the geographical sales data presented at levels other than the Group level.

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EMEA	73	64	136	152	279
Americas	76	79	153	177	338
APAC	46	40	77	82	169
<b>Total net sales</b>	<b>196</b>	<b>182</b>	<b>366</b>	<b>411</b>	<b>787</b>

## Note 3 Related-party transactions

Related-party transactions include remuneration to directors and other senior executives. The remuneration levels are determined on a market basis.

The Parent Company invoices monthly management fees of SEK 1.7m (1.7) to the subsidiary Profoto AB. The level of monthly invoicing is determined annually and is based on the Group-wide fixed costs of the Parent Company. In the second quarter of 2024, the Parent Company's income from invoiced management fees totaled SEK 5.0m (4.5). In the second quarter, the Group expensed consulting costs of SEK 0.3m (0.2) for the benefit of Aligro Advisory AB, which is owned by Profoto's board chairperson. According to the agreement, services corresponding to an invoice value of SEK 1m (1) will be performed and invoiced during 2024. The Parent Company has issued a general guarantee on behalf of its subsidiary, (see note 5).

Parent Company SEKm	June 30 2024	June 30 2023	Dec 31, 2023
Intercompany receivables	-	-	-
Intercompany liabilities	10.8	-158.4	-4.4
<b>Total</b>	<b>10.8</b>	<b>-158.4</b>	<b>-4.4</b>

**Note 4 Intangible fixed assets**

SEKm	Capitalized development expenditure	Technology, customer assets and brand	Other intangible assets <sup>1</sup>	Total
<b>Opening accumulated acquisition value, January 1, 2024</b>	<b>344</b>	<b>100</b>	<b>39</b>	<b>483</b>
Capitalized development expenditure	43	-	9	52
Currency effects	1	2	-	-3
<b>Closing accumulated acquisition value at June 30, 2024</b>	<b>388</b>	<b>102</b>	<b>48</b>	<b>539</b>
<b>Opening depreciation/amortization January 1, 2024</b>	<b>-189</b>	<b>-26</b>	<b>-34</b>	<b>-249</b>
Depreciation/amortization for the period	-9	-8	-2	-19
Currency effects	-2	-1	2	-1
<b>Closing accumulated amortization at June 30, 2024</b>	<b>-200</b>	<b>-35</b>	<b>-34</b>	<b>-268</b>
<b>Opening impairment January 1, 2024</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Closing accumulated impairment at June 30, 2024</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Carrying amount at June 30, 2024</b>	<b>169</b>	<b>68</b>	<b>14</b>	<b>251</b>
<b>Opening accumulated acquisition value January 1, 2023</b>	<b>278</b>	<b>95</b>	<b>35</b>	<b>408</b>
Acquisitions	-	6	-	6
Capitalized development expenditure	34	-	-	34
Currency effects	-	6	-	6
<b>Closing accumulated acquisition value at June 30, 2023</b>	<b>312</b>	<b>106</b>	<b>35</b>	<b>453</b>
<b>Opening depreciation/amortization January 1, 2023</b>	<b>-157</b>	<b>-11</b>	<b>-27</b>	<b>-195</b>
Depreciation/amortization for the period	-18	-8	-4	-29
Currency effects	-	-1	-	-1
<b>Closing accumulated amortization at June 30, 2023</b>	<b>-175</b>	<b>-20</b>	<b>-31</b>	<b>-225</b>
<b>Opening impairment January 1, 2023</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Closing accumulated impairment at June 30, 2023</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Carrying amount at June 30, 2023</b>	<b>118</b>	<b>86</b>	<b>5</b>	<b>209</b>

Goodwill at June 30, 2024 totaled SEK 130m and decreased during the quarter by SEK 2m due to currency effects.

1) Other intangible assets consist of software and licenses with carrying values of SEK 13m (software) and SEK 1m (licenses).

**Note 5 Pledged assets and contingent liabilities**

The Parent Company has issued a general guarantee on behalf of Profoto AB, 556115-5838. There are no outstanding liabilities to which the guarantee applies at the balance sheet date. Profoto AB also has an unlimited general guarantee in favor of its subsidiary Profoto US Inc.

Group SEKm	June 30 2024	June 30 2023	Dec 31, 2023
<b>Contingent liabilities</b>			
Swedish Customs Service	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Explanations for alternative performance measures

## EBITA

Operating profit before depreciation and amortization of intangible fixed assets. The objective is to assess underlying operating profit from continuing operations before depreciation/amortization of intangible assets.

## EBIT

Profit or loss before financial items and tax. Shows the profit or loss from the company's operating activities.

## EBIT margin, %

Adjusted EBIT as a percentage of net sales. Shows operating profit or loss in relation to net sales and is a measure of the profitability of the company's operating activities.

## EBITA margin, %

EBITA as a percentage of net sales. The aim is to give an indication of profitability and future investment scope in relation to sales.

## EBITDA

EBITDA (earnings before finance income and costs, taxes, depreciation and amortization) is operating profit or loss plus depreciation and amortization. EBITDA provides a picture of the ability of the business to generate resources for investments and payments to financiers (see table below).

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Operating profit/loss (EBIT)	36	47	70	119	204
Depreciation, amortization and impairment of intangible fixed assets	9	14	19	28	54
<b>EBITA</b>	<b>45</b>	<b>61</b>	<b>89</b>	<b>147</b>	<b>258</b>
Depreciation and impairment of property, plant and equipment	5	6	12	11	24
<b>EBITDA</b>	<b>51</b>	<b>67</b>	<b>101</b>	<b>158</b>	<b>282</b>

## Net debt/net cash

Interest bearing liabilities minus cash and cash equivalents. A measurement of the company's financial position. Shows how much cash and cash equivalents would remain if all debts were paid off. A negative net amount indicates a positive net cash position.

SEKm	June 30 2024	June 30 2023
Liabilities to credit institutions, noncurrent	150	3
Other interest-bearing liabilities, noncurrent	4	11
Lease liabilities, noncurrent	28	35
Liabilities to credit institutions, current	70	77
Other interest-bearing liabilities, current	87	9
Lease liabilities, current	9	12
Cash and cash equivalents	-64	-47
<b>Net debt</b>	<b>206</b>	<b>100</b>

## Net debt/EBITDA

Net debt in relation to EBITDA over the last twelve months. A measure of financial risk, as well as an indication of repayment capacity.

SEKm	June 30 2024	June 30 2023
Net debt	206	100
EBITDA, LTM	224	344
<b>Net debt/EBITDA LTM, ratio</b>	<b>0.92</b>	<b>0.29</b>

## Net sales adjusted for currency effects, %

Change in net sales for the period, excluding acquisitions, translated at the corresponding period of the previous year's transaction-based daily average exchange rate. Shows whether a company is growing or shrinking, excluding exchange rate effects and acquisitions.

%	Apr-Jun 2024	Apr-Jun 2023
Change in net sales	7.3	-2.4
Acquisitions	-	-
Currency effect	0.3	-6.0
<b>Organic growth adjusted for currency effect</b>	<b>7.6</b>	<b>-8.5</b>

Explanation of alternative performance measures, cont.

### Return on equity, %

Twelve-month rolling profit as a percentage of average equity based on the inflow and outflow of equity for the last twelve months. Shows the return generated on equity invested in the business.

SEKm	June 30 2024	June 30 2023
Profit/loss for the period, LTM	118	210
Equity	300	330
Equity, LTM	315	299
<b>Return on equity, %</b>	<b>37.6</b>	<b>70.3</b>

### Capital employed

Total assets less non-interest-bearing provisions and liabilities. The metric shows how much capital is used in the business and is a component to measure the returns from the business.

SEKm	June 30 2024	June 30 2023
Total assets	821	734
Provisions, long-term	7	8
Deferred tax liabilities	112	97
Provisions, short-term	11	18
Accounts payable	57	43
Current tax liabilities	0	15
Accrued expenses and deferred income	52	53
Other non-interest-bearing liabilities, current	21	33
<b>Capital employed</b>	<b>561</b>	<b>468</b>

### Return on capital employed, %

EBIT last 12 months (LTM) as a percentage of average capital employed based on incoming and outgoing capital employed for the last twelve months. A key figure to measure the return on the capital tied up in the business.

SEKm	June 30 2024	June 30 2023
EBIT, LTM	156	265
Capital employed	561	468
Capital employed, LTM	514	478
<b>Return on capital employed, %</b>	<b>30.4</b>	<b>55.4</b>

### Operating capital

Total assets less cash and cash equivalents, other interest-bearing assets and non-interest-bearing provisions and liabilities. Operating capital shows how much capital the business requires to run its core business. It is mainly used to calculate the return on operating capital.

SEKm	June 30 2024	June 30 2023
Total assets	821	734
Provisions, long-term	7	8
Deferred tax liabilities	112	97
Provisions, short-term	11	18
Accounts payable	57	43
Current tax liabilities	0	15
Accrued expenses and deferred income	52	53
Other non-interest-bearing liabilities, current	21	33
Cash and cash equivalents	64	47
<b>Operating capital</b>	<b>497</b>	<b>421</b>

### Return on operating capital, %

EBIT last twelve months (LTM) as a percentage of average operating capital based on incoming and outgoing operating capital for the last 12 months. The return on operating capital shows how well the business uses the net capital tied up in operations. It reflects the combined effect of the operating margin and turnover rate on operating capital. The key performance figure is mainly used to monitor the Group's value creation over time.

SEKm	June 30 2024	June 30 2023
EBIT, LTM	156	265
Operating capital	497	421
Operating capital, LTM	459	405
<b>Return on operating capital, %</b>	<b>34.0</b>	<b>65.4</b>

# Performance measure by quarter

	2024		Oct-Dec	Jul-Sep	2023		Oct-Dec	Jul-Sep
	Apr-Jun	Jan-Mar			Apr-Jun	Jan-Mar		
Net sales, SEKm	196	171	204	172	182	229	230	235
Organic growth, %	7.6	-24.6	-10.1	-28.7	-8.5	0.0	-12.5	6.5
EBITA, SEKm	45	44	63	48	61	86	95	80
EBITA margin, %	23.2	25.6	31.0	28.0	33.6	37.4	41.1	34.0
EBIT, SEKm	36	34	51	35	47	72	80	66
EBIT margin, %	18.5	20.1	25.0	20.2	25.8	31.3	34.9	28.0
Profit/loss for the period, SEKm	28	27	37	27	36	56	65	54
Net debt, SEKm	206	62	44	88	100	-75	4	66
EBITDA LTM, SEKm	224	241	282	312	344	344	322	315
Net debt/EBITDA LTM	0.92	0.26	0.16	0.28	0.29	-0.22	0.01	0.21
Return on equity, %	37.6	28.9	39.5	54.3	70.3	51.4	53.8	64.1
Earnings per share, SEK	0.70	0.66	0.92	0.67	0.89	1.40	1.61	1.34
Return on capital employed, %	30.4	28.9	37.9	47.9	55.4	49.4	52.5	59.1
Return on operating capital, %	34.0	38.9	49.0	56.5	65.4	94.0	84.2	81.1

# Definitions

**Average number of employees**

Average number of full-time employees during the period.

**LTM**

Last twelve months, the twelve-month period ending on the respective date.

**Parent Company**

Profoto Holding AB (publ), a limited liability company subject to Swedish jurisdiction.

**Organic growth**

Change in net sales for the period compared to the corresponding period in the previous year, after adjustments for acquisitions and exchange rate effects.

**Profoto Group/Group**

The Group or the Profoto Group consists of the Parent Company, as well as direct and indirect subsidiaries. The terms are used interchangeably.

**Region APAC**

Oceania and Asia, with the exception of Russia, Turkey and the Middle East.

**Region EMEA**

Africa, Europe including Turkey and Russia, as well as the Middle East.

**Region Americas**

Central America, North America and South America.

**Earnings per share**

Profit/loss for the period attributable to the shareholders of the Parent Company, divided by the weighted average number of shares outstanding during the period. Earnings per share are recorded in accordance with IAS 33 Earnings per share.