

15 June 2021 13:30:00 CEST
PRESS RELEASE

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURES BEYOND WHAT IS REQUIRED UNDER SWEDISH LAW. PLEASE SEE "IMPORTANT INFORMATION" AT THE END OF THIS PRESS RELEASE.

Profoto intends to list its shares on Nasdaq Stockholm

Profoto Holding AB (publ) ("Profoto" or the "Company"), a leading global company within lighting solutions in the premium segment for professional photographers, announces its intention to list its shares on Nasdaq Stockholm (the "Listing"). In connection with the Listing, the intention is to launch an initial public offering of its shares to the general public in Sweden and to institutional investors in Sweden and abroad (the "Offering"). The Offering is expected to consist solely of existing shares in the Company offered by Profoto Invest AB (the "Principal Owner").

Profoto was founded in 1968 by Conny Dufgran and Eckhard Heine to offer premium lighting solutions to professional photographers and the products soon became the preferred choice for famous image creators around the world. The entrepreneurial spirit and drive have characterized the Company since its foundation and Profoto is today synonymous with premium products that make it easier for professional photographers to create amazing images. With continuous focus on product innovation and operational efficiency, the Company has built a leading position in a global niche of the growing image and content creation market.

Until 2016, Profoto was principally owned by the co-founder Conny Dufgran and the CEO Anders Hedebark together with Helén Hedebark. In 2017, Hans Eckerström, with a background from the private equity firm Nordic Capital, assumed the role of Chairman of the Board of the Principal Owner and also became a shareholder, and thereafter became Chairman of the Board of Profoto. Under Hans Eckerström's leadership, a process to prepare the Company for a listing on Nasdaq Stockholm was initiated. The board of directors of Profoto believes it is now a suitable time to strengthen Profoto's profile through a listing of the Company's shares on Nasdaq Stockholm while also facilitating a transition of Conny Dufgran's (today 88 years old) indirect ownership. The board of directors of Profoto believes that the Offering and Listing of the Company's shares is a logical and important step in Profoto's development. The intention with the Offering and the Listing is to broaden the Company's shareholder base and give Profoto access to the Swedish and international capital markets, which is considered to promote the Company's continued growth and development through increased awareness of Profoto and its operations. The Offering also allows the Principal Owner to sell a portion of its current shareholding and to create a liquid market for the shares henceforth. Following the Listing, Anders Hedebark will remain as CEO as well as a large and committed shareholder.

Nasdaq Stockholm's listing committee has assessed that the Company fulfils Nasdaq Stockholm's listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain customary conditions are fulfilled, including that the Company submits such application and fulfils the distribution requirement for its shares. The Listing is expected to be completed towards the end of the second quarter 2021.

Comment from Anders Hedebark, CEO and Board member in Profoto:

“It is thrilling to take the next step in Profoto’s continuous growth journey. We are well prepared and look forward to welcoming new shareholders, both large and small, to take part in our exciting future. The number of images captured has been growing exponentially during recent years and even if the pandemic has pushed many events into the future, we now see that the market is picking up again. Profoto is a global leader within lighting for professional photographers, and light is a prerequisite to succeed in creating amazing images. In the future, there are several additional growth opportunities for us to explore.”

Comment from Hans Eckerström, Chairman of the Board in Profoto:

“Profoto is an impressive company in many aspects. The company operates in an interesting global niche where Profoto has developed a very strong position over the years. To continuously provide the market with new and innovative products backed by a strong global brand with an efficient sales organisation, in combination with increasing margins to current high levels, creates a foundation for sustainable competitiveness and long-term value creation. I am impressed by both the business model and the fantastic team behind the success and I am convinced that the future will be very exciting for both existing and new shareholders. Personally, I remain committed to Profoto and will not sell and receive and proceeds from the IPO.”

The Offering in brief

Should the Company proceed with the Listing, the Offering is expected to include the following:

- An offering to the general public in Sweden
- An offering to institutional investors in Sweden and abroad (not the U.S.)

The Offering is expected to consist of existing shares in the Company offered by the Principal Owner. Before the Offering, all shares in the Company are owned by the Principal Owner, where Anders Hedebark, Helén Hedebark, Conny Dufgran and, to a lesser extent, Board members and members of executive management, among others, are shareholders. Immediately following a potential completion of the Offering, the Principal Owner will distribute the remaining shares in the Company (i.e. the shares that are not sold in the Offering) to the shareholders in the Principal Owner. Thus, current shareholders of Profoto Invest AB will receive a direct shareholding in the Company after the Listing.

Lannebo Fonder, Svolder AB, Herenco Holding and Strand Kapitalförvaltning have undertaken, subject to certain conditions, to acquire shares in the Offering for an amount of SEK 500m to a price per share of SEK 66, corresponding to a market value for the outstanding shares in the Company of SEK 2.64bn.

Full terms, conditions and instructions for the Offering will be included in the prospectus intended to be published by the Company in connection with the Listing. The prospectus will, if published, be available on Profoto’s website, www.profoto.com

About Profoto

Profoto was founded more than 50 years ago and has since then been the world leader in lighting products for professional photographers, driving innovation and awareness of how to create better images through light. Light makes the difference between a good and a great image. The customers include the world’s leading photographers and Profoto is currently represented in over 50 markets worldwide. Net sales in 2020 amounted to SEK 528.4m. Profoto has 91 employees working at the headquarters in Stockholm and in subsidiaries in the United States, Japan, China, Germany, France and the United Kingdom.

Financial development

Continuous investments in innovation, a global sales platform and an increased focus on operational efficiency have paved the way for a long history of organic growth combined with increased profitability. Between 2001 and 2019 net sales grew from SEK 89.3m to SEK 832.8m, corresponding to a CAGR of 13.2 percent. Over the same period, EBIT margin increased significantly from 9.8 percent in 2001 to 26.7 percent 2019. During the financial year 2020, Profoto reported a net sales decrease of 36.6 percent compared with the financial year 2019, with an adjusted EBIT margin of 10.7 percent. The Company assess that this development was largely driven by an extraordinarily weak market development related to the Covid-19 pandemic. However, the Company assess that as the Company's end markets normalize, 2021 will show significantly higher organic net sales growth than what the Company's financial targets for net sales growth stipulates. Profoto assess that the gradual recovery in net sales during the fourth quarter of 2020 and the first quarter of 2021 is an effect of an initiated normalization and less extensive restrictions, primarily in China and Japan, and that the efficiency and reorganizational program implemented in 2020 has contributed to an improved level of profitability. Furthermore, the Company assess that the normalization in the Company's end markets has continued in the second quarter of 2021. During the period April-May 2021, Profoto's net sales amounted to SEK 110.7m, to be compared with SEK 46.9m, SEK 161.3m and SEK 109.7m during the same period 2020, 2019 and 2018.[1]

SEKm	Q1 2021	Q1 2020	2020	2019	2018
Net sales[2]	153.0	148.3	528.4	832.8	679.1
Adjusted EBIT[3]	47.6	13.7	56.3	222.1	182.8
<i>Adjusted EBIT margin, %[4]</i>	<i>31.1%</i>	<i>9.2%</i>	<i>10.7%</i>	<i>26.7%</i>	<i>26.9%</i>

Strengths and competitive advantages

Profoto considers itself to have the following strengths and competitive advantages enabling the Company to implement its strategy and achieve its financial goals:

- Leading position in a global niche of the fast changing and growing image and content creation market
- Premium brand used by the leading photographers
- Asset light business model with continuous focus on core operations and innovation to drive profitable growth and expand the addressable market
- Global go to market strategy
- Competent and dedicated management with track-record of creating a technology leader
- Long-term organic growth combined with exceptional profitability

Financial targets and dividend policy

- *Net sales growth:* Profoto aims to, over time, achieve a constant currency annual organic growth in net sales of above 10 percent and reach net sales exceeding SEK 800m by 2023
- *Profitability:* Profoto aims to maintain an EBIT margin within 25–30 percent whilst growing EBIT year-over-year[5]
- *Dividend policy:* Profoto aims to pay out at least 50 percent of its net profit, while also taking into account other factors such as financial position, cash flow and growth opportunities

Advisors

Carnegie Investment Bank AB (publ) is acting as Sole Global Coordinator and Joint Bookrunner. Handelsbanken Capital Markets is acting as Joint Bookrunner. Advokatfirman Vinge and Mannheimer Swartling Advokatbyrå are legal advisors to the Company. Baker & McKenzie Advokatbyrå KB is legal advisor to Joint Bookrunners.

For more information, please contact:

Anders Hedebark
CEO and Board member
Email: anders.hedebark@profoto.com

Petter Sylvan
CFO
Email: petter.sylvan@profoto.com

Gunilla Öhman
Head of Investor Relations
Email: gunilla.ohman@profoto.com
Tel: +46 707 63 81 25

IMPORTANT INFORMATION

This announcement is not an offer to sell or a solicitation of any offer to buy any securities of the Company. The contents of this announcement have been prepared by and are the sole responsibility of the Company.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement is not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

Any potential offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this announcement is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States. Any public

offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about the Company and its management, as well as financial statements. Copies of this announcement are not being, and should not be, distributed in or sent into the United States.

The securities described herein have also not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in Australia, Canada or Japan. There will be no public offering of the securities described herein in Australia, Canada or Japan.

In the United Kingdom this announcement is being distributed only to, and directed exclusively at, “qualified investors” (as defined in section 2(e) of the Prospectus Regulation as it forms part of UK domestic law by virtue of the UK European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time) (the “UK Prospectus Regulation”)) who are (i) persons having professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) outside the United Kingdom, or (iv) persons to whom an invitation or inducement to engage in investment activity (within the Meaning of section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This announcement and any investment or investment activity to which it relates will only be engaged in within the United Kingdom, by persons who are relevant persons. This announcement should not be acted on or relied on by anyone other than relevant persons in the United Kingdom.

This announcement may contain certain forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue,” “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this communication speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement.

None of Carnegie Investment Bank AB (publ) or Svenska Handelsbanken AB (publ), the Company, the Company’s shareholders, or any of their respective affiliates, or their or their affiliates’ directors, officers, employees, advisors or agents, accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, in relation to the truth, fairness, reasonableness, adequacy, accuracy or completeness of the information, statements or opinions, whichever their source, contained in this announcement (or whether any information has been omitted from the announcement) or any oral information provided in connection herewith, or any data it generates and accepts no responsibility, obligation or liability (whether direct or indirect, in contract or otherwise) in relation to any of such information.

In connection with the offer or sale of securities referred to herein, Carnegie Investment Bank AB (publ) and /or its affiliates may over allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by Carnegie Investment Bank AB (publ) and/or its affiliates in accordance with all applicable laws and rules.

[1] The information is collected from the Company's internal accounts and has not been audited or reviewed by the Company's auditor.

[2] Net sales derived from the Company's audited revised historical consolidated financial statements for the financial years 2020, 2019 and 2018, respectively, and from the Company's reviewed interim report for the three-month period ending 31 March 2021, with figures for comparison for 2020.

[3] Adjusted EBIT is defined as EBIT (earnings before interest and taxes) excluding items affecting comparability, such as write-downs of intangible, tangible and inventory related assets. Adjusted EBIT is derived from the Company's internal accounts and have neither been audited nor reviewed by the Company's auditor.

[4] Adjusted EBIT margin, %, is defined as EBIT (earnings before interest and taxes) excluding items affecting comparability, as a percentage of net sales. Adjusted EBIT margin, %, is derived from the Company's internal accounts and have neither been audited nor reviewed by the Company's auditor.

[5] The Company intends to prioritize net sales growth in top end of margin range and profitability at bottom end of margin range.

Image Attachments

[Hans Eckerström, ordförande](#)

[Anders Hedebark, vd](#)

[produktbild brud vid strand](#)

[produktbild Love With Profoto B10](#)

Attachments

[Profoto intends to list its shares on Nasdaq Stockholm](#)