

Interim Report

January 1 – March 31, 2024

Financial summary January – March 2024

- Net sales totaled SEK 171m (229), a decrease of 25.4 percent. Organic growth totaled -24.6 percent, and the currency effect, -0.8 percent.
- EBIT was SEK 34m (72), and the EBIT margin, 20.1 percent (31.3).
- Profit for the period was SEK 27m (56).
- The return on operating capital totaled 38.9 percent (94.0).
- Cash flow from operating activities was SEK 13m (105), mainly due to lower operating income and a reduction in operating liabilities during the quarter.
- Earnings per share (basic and diluted)¹ totaled SEK 0.66 (1.40).

Significant events after the end of the period

- Launch of our new product platform Pro-D3. A series of off-camera flashes developed primarily for e-commerce customers with extensive demands for dependability and long product life.

Net sales
Q1 2024

SEK 171m
(SEK 229m)

Net sales
LTM

SEK 729m
(SEK 881m)

EBIT
Q1 2024

SEK 34m
(SEK 72m)

EBIT margin
Q1 2024

20.1%
(31.3%)

EBIT
LTM

SEK 167m
(SEK 266m)

EBIT margin
LTM

22.9%
(30.2%)

Return on operating capital
LTM

38.9%
(94.0%)

For information and an explanation of alternative performance measures, see pages 17–18.

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

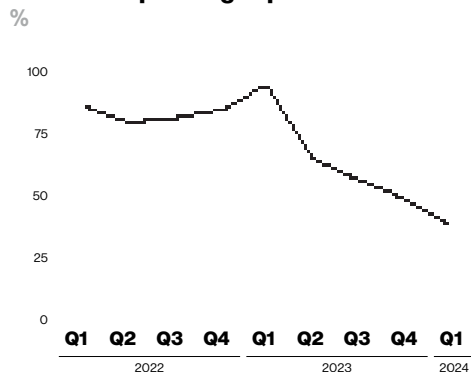
	Jan-Mar 2024	Jan-Mar 2023	Apr 2023- Mar 2024	Full year 2023
Net sales, SEKm	171	229	729	787
Organic growth ¹ , %	-24.6	0.0	-18.9	-12.6
EBITA, SEKm	44	86	216	258
EBITA margin, %	25.6	37.4	29.7	32.8
EBIT, SEKm	34	72	167	204
EBIT margin, %	20.1	31.3	22.9	26.0
Profit/loss for the period, SEKm	27	56	126	155
Cash flow from operating activities, SEKm	13	105	119	211
Net debt ² , SEKm	62	-75	62	44
Net debt/EBITDA LTM	0.26	-0.22	0.26	0.16
Return on capital employed, %	28.9	49.4	28.9	37.9
Return on operating capital, %	38.9	94.0	38.9	49.0
Earnings per share, SEK ³	0.66	1.40	3.14	3.88

1) For information and an explanation of alternative performance measures, see pages 17-18.

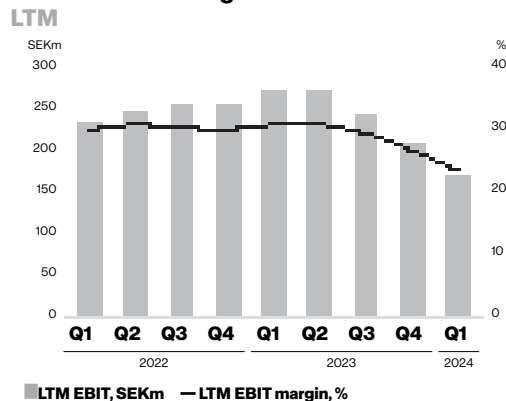
2) A negative amount indicates a positive net cash position.

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

Return on operating capital



EBIT and EBIT margin



Weak quarter but we can see the light at the end of the tunnel

Sales were SEK 171m, a decrease of 25 percent compared to the first quarter of 2023. The EBIT margin was negatively affected by the low sales, which nevertheless amounted to 20 percent (31) thanks to strict discipline in keeping costs in check.

Sluggish demand during the quarter

As in recent quarters, professional photographers and large studios alike continued to be cautious about investing in equipment, considering the uncertain macroeconomic environment and high interest rates. Underlying demand for our products therefore continued to be weak in all our regions. In a cautious market, we need to give customers convincing reasons to invest, to improve demand. Normally, our primary way to do this is by launching new, innovative products. We have not had any major product launches in the last few quarters, which combined with the cautious market, are the main reasons for the weak sales. To address this situation, we have had a lot of extra activities and attractive offers for professional photographers in connection with the important spring wedding season, which had a positive effect on the sales of our OCF and Clic products.

Launches that pave the way for the next quarter

We remain confident in our financial targets. To continue to meet our growth target, after several challenging quarters, we continue to invest a lot of energy and resources in product development. I am especially proud and happy that we can finally start to showcase the results of this dedicated work with the launch of our new monolight, the Pro-D3. The Pro-D3 is a true workhorse, aimed primarily at large studios and available for purchase since May 7. I see it as marking the start of a very exciting time, with more frequent product launches than we have had over the past two years, enabled by our investment in innovation. In addition to investing in innovation and launching new products, we continue to raise our level of activity in the market and to further develop the way in which we launch and sell our products.

Increased focus on the US

We have three areas of light in which we are growing; our core area of Light for professional photographers, where we have been able to develop products and increase our market share and sales for many years. This is an important area that we will continue to invest in. Our two newer focus areas are Software for e-commerce and studios, where there are major efficiency improvements to be made and where we have made several innovations in 2023. The third area, Light for film production, is a newer area with great opportunities that we are now investing in.

To succeed in implementing these strategies in North America, our largest and most important growth market, we are now increasing our investment in sales and marketing in the US and are moving the management of the global marketing department to Los Angeles. At the same time, Sara Strid assumes a new role as Vice President North America and Global Marketing based in Hollywood, Los Angeles. The move into super powerful LED lighting for film production requires a new marketing and sales organisation and will now be led from the key market. The next step in this venture will be to launch the first product for film production at CineGear, at Warner Bros studios, Burbank, California.



It is difficult for us to predict when the macroeconomic conditions will improve. I am very proud that the organization has worked purposefully on those things which we do have influence over. I am particularly pleased that our investments in product development are now bearing fruit, with the launch of the Pro-D3 on May 7. I am convinced that the launch, together with our increased presence in the US, will lead to growth!

Sundbyberg, May 14, 2024

Anders Hedebark
President and CEO

Financial Overview

The first quarter, January 1–March 31, 2024

Net sales

Net sales for the first quarter totaled SEK 171m (229), a decrease of 25.4 percent compared to the corresponding quarter last year. Organic growth totaled -24.6 percent, and currency effect, -0.8 percent.

Sales in the first quarter continued to be affected by macroeconomic factors, such as declining consumption and high interest rates. Our e-commerce customers as well as professional photographers remained cautious, affecting demand for our entire product portfolio. Demand was also affected by the fact that we have not had any major product launches in recent quarters.

Regions*

Demand in all regions remained sluggish during the quarter. Sales in EMEA totaled SEK 62m (88), a decrease of 29.6 percent compared to the previous year. Sales for APAC totaled SEK 31m (42), a decrease of 24.6 percent. Sales in the Americas totaled SEK 77m (98), corresponding to a decrease of 21.6 percent. Interest rates and economic uncertainty along with no major product launches in recent quarters 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)

First quarter EBIT totaled SEK 34m (72), corresponding to an EBIT margin of 20.1 percent (31.3). The decrease in EBIT compared to the previous year was mainly the result of lower sales.

Capitalized work for own account increased from SEK 13m to SEK 21m compared to the previous year as a result of an increased rate of investment in product development. Compared to the previous year, personnel costs increased by SEK 5m and totaled SEK 43m (38). The increase is explained mainly by increased investment in product development and innovation. Other external costs totaled SEK 48m (47). Depreciation/amortization totaled SEK 16m (19), of which SEK 6m (5) was attributable to tangible fixed assets and SEK 9m (14) to intangible fixed assets. Amortization of intangible fixed assets included SEK 5m (9) of amortization of capitalized development expenditure, SEK 4m (4) of amortization of surplus value from acquisitions and SEK 0m (2) of amortization of other intangible assets.

Financial items

Net financial items were negative and totaled SEK 0m, compared to a negative item of SEK 2m in the corresponding quarter the previous year. Interest income totaled SEK 1m (1), net unrealized foreign exchange gains totaled SEK 1m (-1) and interest expenses related to lease liabilities and liabilities to credit institutions totaled SEK 2m (2).

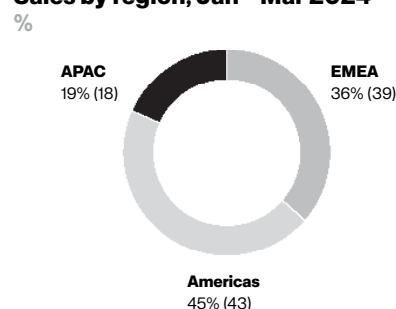
Profit for the period and tax expenses

Profit for the period was SEK 27m (56). The tax expense was SEK 8m (14), of which SEK 0m (15) was current tax and SEK 7m (-1) was the change in deferred tax. The effective tax rate for the period totaled 22.1 percent (19.9).

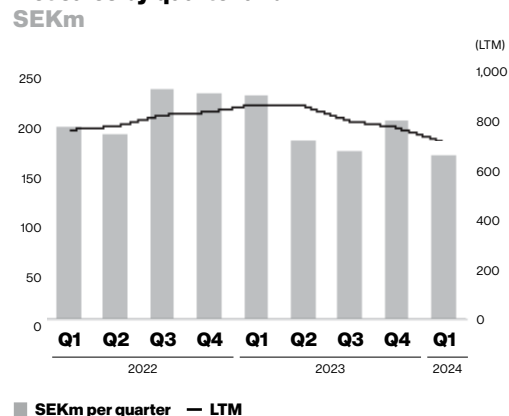
Change in net sales

%	Jan - Mar 2024
Organic growth	-24.6
Acquisitions	-
Currency effect	-0.8
Total	-25.4

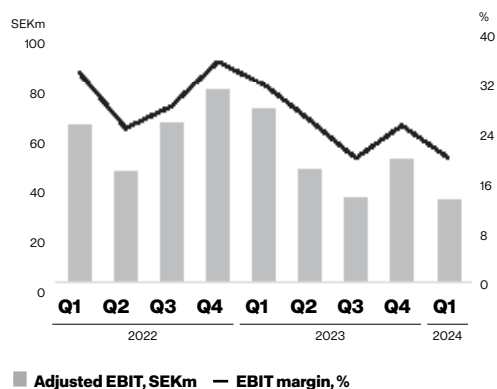
Sales by region, Jan - Mar 2024



Net sales by quarter and LTM



Adjusted EBIT and EBIT margin



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

Financial position and other information

Product development and other investments

Total expenses for product development and technology in the first quarter totaled SEK 28m (28). Of these, SEK 20m (19) was capitalized. The total book value of capitalized development expenditure amounted to SEK 152m (107), and technology totaled SEK 73m (87) as of March 31, 2024. Product development expensed in the first quarter amounted to SEK 8m (9). This expenditure mainly related to product maintenance costs, projects in the pre-study phase and project-wide administrative costs that cannot be attributed to the development of specific products. During the quarter, SEK 7m (3) was invested in tools and equipment mainly related to ongoing development projects. During the first quarter, SEK 2m (0) was capitalized in other intangible assets. During the quarter, Profoto has initiated activities to curb patent infringements in China and the USA.

Working capital and cash flow

At the end of the first quarter, inventories totaled SEK 153m (139), and accounts receivable, SEK 73m (74). Accounts payables amounted to SEK 44m (49). Cash flow from operating activities for the quarter totaled SEK 13m (105). The decrease was mainly due to a lower operating income and a reduction in operating liabilities during the quarter.

Return on operating capital

EBIT LTM as of March 31, 2024 totaled SEK 167m (266) while operating capital LTM totaled SEK 429m (283). The return on operating capital thus totaled 38.9 percent (94.0). For further information and an explanation, see alternative performance measures on page 18.

Financial position and liquidity

On March 31, 2024, the Group's equity totaled SEK 422m (450). Cash and cash equivalents totaled SEK 60m (237). The Group reported a net debt of SEK 62m (-75). Interest-bearing liabilities totaled SEK 123m (161). The available and undrawn RCF loan was SEK 250m at the end of the first quarter. Lease liabilities totaled SEK 40m (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 the 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 first quarter of 2024 was 142 (132), of which 68 (74) were employed in sales companies in China, Japan, the US, Germany, France, the UK and the Netherlands.

Dividend

For the financial year 2023, the Board of Directors proposes a dividend of SEK 3.75 per share, to be paid once with a record date of May 16, 2024. The proposal entails a total dividend of SEK 150m, corresponding to 96.6 percent of the net profit in 2023.

Significant events in January – March

There were no other significant events during the period.

Significant events after the end of the period

The Pro-D3 was launched in the second quarter.

Management of the global marketing department will be moved to Los Angeles. Sara Strid assumes a new role as Vice President North America and Global Marketing, based in Hollywood, Los Angeles.

In conjunction with this, Profoto alters the organization, and Vice President and CFO, Carl Bandhold leaves the company.

Owners

On March 31, 2024, Profoto had 1,683 shareholders, of which the ten largest owners were:

Owners	Number of shares	%
Anders and Helén Hedebark	15,252,321	38.1
Conny Dufgran	6,100,000	15.3
Herenco Holding AB	4,012,994	10.0
Lannebo Fonder	3,340,918	8.4
Svolder	2,100,000	5.3
Hans Eckerström	1,230,508	3.1
Enter Fonder	713,202	1.8
Nordnet Pension Insurance	509,105	1.3
Deka Investments	435,000	1.1

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.

2024 AGM

Profoto's AGM will take place on Tuesday, May 14, at 13.00 at Profoto's premises at Landsvägen 57 in Sundbyberg, Sweden.

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 (3.6) as the only income in the first quarter, and with personnel costs and other external costs related to the management of the Group as expenses.

Operating loss (EBIT) totaled SEK -0.6m (-1.3) for the first quarter. Current assets totaled SEK 3.2m (31.3) and total current liabilities totaled SEK 29.2m (26.0). Other long-term liabilities totaled SEK 8.3m (16.9) at the end of the first quarter. The non-current portion of the vendor note from the acquisition of Style-Shoots has decreased as a result of scheduled amortization of part of the debt in the second quarter of 2023. 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, increased 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>.

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

AGM 2024 – May 14, 2024

Interim Report Q2 2024 – July 17, 2024

Interim Report Q3 2024 – October 24, 2024

Conference call

Profoto Holding AB (publ) will publish its interim report for the first quarter 2024 on Tuesday, May 14 at 8:00 a.m. CET. At 9:00 a.m. on the same day, a webcast teleconference will be held in which President and CEO Anders Hedebark will present the report together with 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-q1-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=50048836>

For further information, please contact

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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 for publication, through the agency of the contact persons listed above, at 8:00 a.m. CET on May 14, 2024.

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

Stockholm, May 14, 2024

Anders Hedebark
President and CEO

Consolidated financial statements

Consolidated statement of profit and loss

SEKm	Note	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
Net sales	2	171	229	787
Other income		17	2	32
Total revenue		188	231	819
Capitalized work for own account		21	13	70
Goods		-56	-66	-226
Other external expenses		-48	-47	-185
Personnel expenses		-43	-38	-159
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-16	-19	-77
Other operating expenses		-12	-2	-37
Operating profit/loss (EBIT)		34	72	204
Finance income and costs				
Finance income		2	1	3
Finance costs		-2	-3	-10
Profit/loss before tax		34	70	197
Tax		-8	-14	-42
Profit/loss for the period		27	56	155
<i>Attributable to:</i>				
Owners of the Parent Company		27	56	155
Basic and diluted earnings per share ¹ , SEK		0.66	1.40	3.88

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

Consolidated statement of comprehensive income

SEKm	Note	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
Profit/loss for the period		27	56	155
<i>Other comprehensive income items that may be reclassified to the consolidated statement of profit and loss:</i>				
Translation differences for the period		-0	3	6
Total comprehensive income for the period		26	59	161
<i>Attributable to:</i>				
Parent Company shareholders		26	59	161

Consolidated statement of financial position

SEKm	Note	Mar 31, 2024	Mar 31, 2023	Dec 31 2023
ASSETS				
Non-current assets				
Intangible fixed assets	4			
Capitalized development expenditure		152	107	137
Technology, customer assets and brand		73	87	74
Other intangible assets		6	7	5
Goodwill		132	129	128
Total property, plant and equipment		363	329	343
Property, plant and equipment				
Leased assets		38	46	40
Equipment, tools and installations		34	26	31
Leasehold improvements		1	1	0
Total property, plant and equipment		73	73	71
Financial assets		3	2	2
Deferred tax assets		20	19	24
Total non-current assets		459	424	441
Inventories		153	139	164
Current receivables				
Accounts receivables		73	74	78
Current tax assets		22	3	7
Other current assets		5	3	8
Prepayments and accrued income		9	8	7
Total current receivables		109	88	100
Cash and cash equivalents		60	237	95
Total current assets		322	465	358
TOTAL ASSETS		781	888	799

Cont. Condensed consolidated statement of financial position

SEKm	Note	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
EQUITY AND LIABILITIES				
Total equity		422	450	396
Non-current liabilities				
Liabilities to credit institutions		1	6	1
Other non-current liabilities		8	17	8
Lease liabilities		30	34	31
Provisions		7	12	8
Deferred tax liabilities		109	93	104
Total non-current liabilities		155	162	152
Current liabilities				
Liabilities to credit institutions		64	76	79
Lease liabilities		10	11	10
Provisions		11	19	12
Accounts payables		44	49	59
Current tax liabilities		0	17	6
Other current liabilities		22	44	25
Accrued expenses and deferred income		52	59	59
Total current liabilities		203	275	250
TOTAL EQUITY AND LIABILITIES		781	888	799

Consolidated statement of changes in equity

SEKm	Share capital	Translation reserve	Other contributed capital	Retained earnings including profit/loss for the period	Total equity
Opening balance at January 1, 2024	1	6	3	385	396
Profit/loss for the period	-	-	-	27	27
Total other comprehensive income	-	-0	-	-	-0
Total comprehensive income	-	-0	-	27	26
Closing balance on March 31, 2024	1	6	3	412	422
Opening balance January 1, 2023	1	0	-	390	391
Profit/loss for the period	-	-	-	56	56
Total other comprehensive income	-	3	-	-	3
Total comprehensive income	-	3	-	56	59
Closing balance at March 31, 2023	1	3	-	446	450

Consolidated statement of cash flows

SEKm	Note	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
Cash flow from operating activities				
Operating profit/loss		34	72	204
Adjustments for items not affecting the cash flow:				
Depreciation, amortization and impairment of noncurrent assets		15	19	77
Adjustments for other non-cash items		4	2	-3
Interest received		1	0	2
Interest paid		-2	-2	-7
Income tax paid		-21	-18	-54
Cash flow from operating activities before changes in working capital		30	73	218
Changes in working capital				
Decrease (+)/increase (-) in inventories		9	1	-31
Decrease (+)/increase (-) in accounts receivables		3	23	19
Decrease (+)/increase (-) in other receivables		1	3	-2
Decrease (-)/increase (+) in accounts payables		-18	-4	8
Decrease (-)/increase (+) in other current liabilities		-14	9	-2
Cash flow from operating activities		13	105	211
Investing activities				
Investments in intangible fixed assets		-21	-21	-78
Acquisition of property, plant and equipment		-7	-3	-14
Acquired subsidiary		-	-	-17
Investments in other financial fixed assets		-0	-	-
Cash flow from investing activities		-29	-24	-109
Financing activities				
Repayment of external loans		-14	-4	-15
Amortization of leasing liability		-4	-3	-14
New loans		-	14	31
Payment of option premiums		-	-	3
Dividends paid		-	-	-160
Cash flow from financing activities		-18	7	-155
Cash flow for the period		-34	88	-53
Cash and cash equivalents at beginning of period		95	150	150
Exchange rate differences in cash and cash equivalents		-0	-1	-2
Cash and cash equivalents at end of period		60	237	95

Parent company financial statements

Parent Company income statement

SEKm	Note	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
Net sales		5.0	3.6	18.2
Operating expenses				
Other external expenses		-1.4	-2.5	-6.8
Personnel expenses		-4.2	-2.3	-13.5
Other operating expenses		-	0.0	-
Operating profit/loss (EBIT)		-0.6	-1.3	-2.2
Profit/loss from financial items				
Income from participations in Group companies		-	-	140.0
Interest income and similar income statement items		0.0	-	11.8
Interest and similar expenses		-7.4	-2.6	-11.6
Profit after financial items		-8.1	-4.0	138.0
Appropriations		-	-	-0.6
Profit/loss before tax		-8.1	-4.0	137.4
Tax on profit/loss for the period		1.9	0.9	0.5
Profit/loss for the period		-6.1	-3.1	137.9

Parent Company balance sheet

SEKm	Note	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
ASSETS				
Non-current assets				
Financial assets				
Participations in Group companies		217.3	217.3	217.3
Total non-current assets		217.3	217.3	217.3
Deferred tax assets		1.9	1.3	1.6
Current assets				
Current receivables from Group companies	3	–	29.0	–
Current tax assets		2.3	1.5	0.7
Prepayments and accrued income		0.9	0.8	0.4
Total current receivables		3.2	31.3	1.1
Cash and cash equivalents		–	–	–
Total current assets		3.2	31.3	1.1
ASSETS		222.4	249.8	220.0
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		0.5	0.5	0.5
Total restricted equity		0.5	0.5	0.5
Unrestricted equity				
Share premium reserve		3.1	–	3.1
Retained earnings		187.4	209.5	49.5
Profit/loss for the period		-6.1	-3.1	137.9
Total unrestricted equity		184.4	206.4	190.5
Total equity		184.9	206.9	191.0
Non-current liabilities				
Other non-current liabilities		8.3	16.9	8.3
Total non-current liabilities		8.3	16.9	8.3
Current liabilities				
Accounts payables		0.2	0.8	0.2
Current liabilities to Group companies	3	10.8	–	4.4
Other current liabilities		10.6	18.3	10.0
Accrued expenses and deferred income		7.7	6.9	6.2
Total current liabilities		29.2	26.0	29.0
TOTAL EQUITY AND LIABILITIES		222.4	249.8	220.0

Parent Company statement of cash flows

SEKm	Note	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
Cash flow from operating activities				
Operating profit/loss		-0.6	-1.3	-2.1
Income tax paid		-0.1	0.0	-1.1
Cash flow from operating activities before changes in working capital		-0.7	-1.3	-3.2
Changes in working capital				
Decrease (+)/increase (-) in other receivables		-0.5	-0.2	0.0
Decrease (-)/increase (+) in accounts payables		0.0	0.3	-0.3
Decrease (-)/increase (+) in other current liabilities		1.3	0.6	0.0
Cash flow from operating activities		0.1	0.7	-3.5
Investing activities				
Acquired subsidiary		-	-	-16.5
Cash flow from investing activities		-	-	-16.5
Financing activities				
Change in intercompany liabilities		-0.1	0.6	176.9
Warrants		-	-	3.1
Dividends to shareholders		-	-	-160.0
Cash flow from financing activities		-0.1	0.6	20.0
Cash flow for the period		0.0	0.0	0.0
Cash and cash equivalents at beginning of period		0.0	0.0	0.0
Cash and cash equivalents at end of period		0.0	0.0	0.0

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	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
EMEA	62	88	279
Americas	77	98	338
APAC	31	42	169
Total net sales	171	229	787

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 to the subsidiary Profoto AB of SEK 1.7m (1.2) and Profoto B.V of 0.0m (0.0). The level of monthly invoicing is determined annually and is based on the Groupwide fixed costs of the Parent Company. In the first quarter 2024, the Parent Company's revenue from invoiced management fees totaled SEK 5.0m (3.6). In the first quarter, the Group expensed consulting costs of SEK 0.3m (0.3) for the benefit of Aligro Advisory AB, which is owned by Profoto's Chairman of the Board. 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	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Intercompany receivables	-	29.0	-
Intercompany liabilities	-10.8	-	-4.4
Total	-10.8	29.0	-4.4

Note 4 Intangible fixed assets

SEKm	Capitalized development expenditure	Technology, customer assets and brand	Other intangible assets ¹	Total
Opening accumulated acquisition value, January 1, 2024	344	100	39	483
Capitalized development expenditure	20	-	2	21
Currency effects	2	4	-	5
Closing accumulated acquisition value, March 31, 2024	366	104	40	510
Opening depreciation/amortization January 1, 2024	-189	-26	-34	-249
Depreciation/amortization for the period	-5	-4	-0	-9
Currency effects	-1	-1	-	-2
Closing accumulated depreciation/amortization March 31, 2024	-195	-31	-34	-260
Opening impairment January 1, 2024	-19	-	-	-19
Closing accumulated impairment March 31, 2024	-19	-	-	-19
Book value March 31, 2024	152	73	6	231
Opening accumulated acquisition value January 1, 2023	278	95	35	408
Acquisitions	-	6	-	6
Capitalized development expenditure	13	-	0	13
Currency effects	-	1	-	1
Closing accumulated acquisition value March 31, 2023	291	102	36	429
Opening depreciation/amortization January 1, 2023	-157	-11	-27	-195
Depreciation/amortization for the period	-9	-4	-2	-14
Currency effects	-	0	-	0
Closing accumulated depreciation/amortization March 31, 2023	-166	-15	-29	-210
Opening impairment January 1, 2023	-19	-	-	-19
Closing accumulated impairment March 31, 2023	-19	-	-	-19
Carrying amount March 31, 2023	107	87	7	201

Goodwill as of March 31, 2024 totaled SEK 132m and during the quarter increased by SEK 4m due to currency effects.

1) Other intangible assets consist of software and licenses valued at SEK 36m (software) and SEK 4m (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	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Contingent liabilities			
Swedish Customs Service	1	1	1
Total	1	1	1

Explanations for alternative performance measures

Adjusted EBIT margin, %

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

EBITA

Operating profit before depreciation and amortization of intangible 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 in 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	Jan - Mar 2024	Jan - Mar 2023	Full year 2023
Operating profit/loss (EBIT)	34	72	204
Depreciation and impairment of intangible fixed assets	9	14	54
EBITA	44	86	258
Depreciation and impairment of property, plant and equipment	6	6	24
EBITDA	50	91	282

Net debt/net cash

Interest-bearing liabilities less 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	Mar 31, 2024	Mar 31, 2023
Liabilities to credit institutions, noncurrent	1	6
Other interest-bearing liabilities, non-current	8	17
Lease liabilities, non-current	30	34
Liabilities to credit institutions, current	64	76
Other interest-bearing liabilities, current	9	17
Lease liabilities, current	10	11
Cash and cash equivalents	-60	-237
Net debt	62	-75

Net debt/EBITDA

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

SEKm	Mar 31, 2024	Mar 31, 2023
Net debt	62	-75
EBITDA, LTM	241	344
Net debt/EBITDA LTM, ratio	0.26	-0.22

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.

%	Jan - Mar 2024	Jan - Mar 2023
Change in net sales	-25.4	16.5
Acquisitions	-	-9.1
Currency effect	0.8	-7.3
Organic growth adjusted for currency effect	-24.6	0.0

Cont. Explanation of alternative performance measures

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	Mar 31, 2024	Mar 31, 2023
Profit/loss for the period, LTM	126	211
Equity	422	450
Equity, LTM	436	410
Return on equity, %	28.9	51.4

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	Mar 31, 2024	Mar 31, 2023
Total assets	781	888
Provisions, long-term	-7	-12
Deferred tax liabilities	-109	-93
Provisions, short-term	-11	-19
Accounts payables	-44	-49
Current tax liabilities	-0	-17
Accrued expenses and deferred income	-52	-59
Other non interest-bearing liabilities, current	-13	-27
Capital employed	545	611

Return on capital employed, %

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

SEKm	Mar 31, 2024	Mar 31, 2023
EBIT, LTM	167	266
Capital employed	545	611
Capital employed, LTM	578	538
Return on capital employed, %	28.9	49.4

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	Mar 31, 2024	Mar 31, 2023
Total assets	781	888
Provisions, long-term	-7	-12
Deferred tax liabilities	-109	-93
Provisions, short-term	-11	-19
Accounts payable	-44	-49
Current tax liabilities	-0	-17
Accrued expenses and deferred income	-52	-59
Other non interest-bearing liabilities, current	-13	-27
Cash and cash equivalents	-60	-237
Operating capital	484	374

Return on operating capital, %

EBIT past twelve months (LTM) as a percentage of average operating capital based on incoming and outgoing operating capital for the past 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	Mar 31, 2024	Mar 31, 2023
EBIT, LTM	167	266
Operating capital	484	374
Operating capital, LTM	429	283
Return on operating capital, %	38.9	94.0

Performance measure by quarter

	2024	2023			2022			
	Jan - Mar	Oct - Dec	Jul - Sep	Apr - Jun	Jan - Mar	Oct - Dec	Jul - Sep	Apr - Jun
Net sales, SEKm	171	204	172	182	229	230	235	187
Organic growth, %	-24.6	-10.1	-28.7	-8.5	0.0	-12.5	6.5	-12.7
EBITA, SEKm	44	63	48	61	86	95	80	61
EBITA margin, %	25.6	31.0	28.0	33.6	37.4	41.1	34.0	32.6
EBIT, SEKm	34	51	35	47	72	80	66	48
EBIT margin, %	20.1	25.0	20.2	25.8	31.3	34.9	28.0	25.7
Adjusted EBIT, SEKm	34	51	35	47	72	80	66	46
Adjusted EBIT margin, %	20.1	25.0	20.2	25.8	31.3	34.9	28.0	24.5
Profit/loss for the period, SEKm	27	37	27	36	56	65	54	36
Net debt, SEKm	62	44	88	100	-75	4	66	121
EBITDA LTM, SEKm	241	282	312	344	344	322	315	301
Net debt/EBITDA LTM	0.26	0.16	0.28	0.29	-0.22	0.01	0.21	0.40
Return on equity, %	28.9	39.5	54.3	70.3	51.4	53.8	64.1	72.4
Earnings per share, SEK	0.66	0.92	0.67	0.89	1.40	1.61	1.34	0.90
Return on capital employed, %	28.9	37.9	47.9	54.9	49.4	52.5	59.1	58.9
Return on operating capital, %	38.9	49.0	56.5	64.7	94.0	84.2	81.1	79.3

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/The 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.