



Interim Report

First Quarter of 2023

Plejd AB (publ)

Plejd

Interim Report

First Quarter of 2023

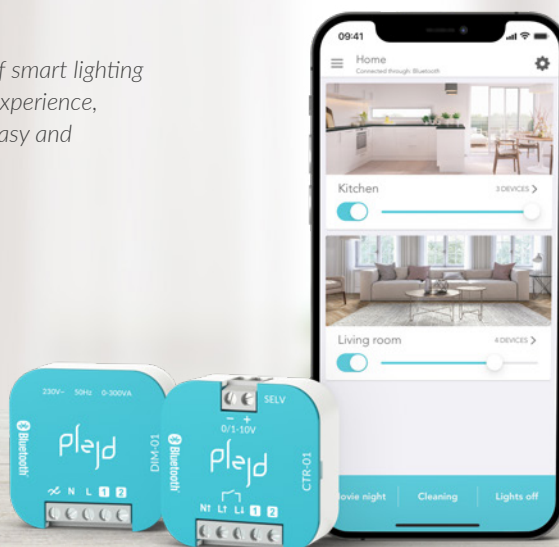
First Quarter | Jan–March 2023

- Net sales amounted to TSEK 121,296 (99,305), which is an increase of 22.1 % compared to the same period last year.
- The gross margin amounted to 56.4 % (59.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK 28,459 (28,551), which corresponds to an operating margin before depreciation and amortization of 23.5 % (28.8).
- Operating profit (EBIT) amounted to TSEK 16,100 (19,856), which corresponds to an operating margin of 13.3 % (20.0).
- Earnings per share before dilution amounted to SEK 1.16 (1.48).

(Comparative figures in parentheses refer to the corresponding period in the previous year.)

About the company

Plejd is a leading Nordic supplier of smart lighting controls. By focusing on the user experience, smart lighting controls are made easy and available to everyone.



Financial overview

Amounts in TSEK	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Net sales	121,296	99,305	430,823
Gross margin, %	56.4	59.0	58.7
Operating profit	16,100	19,856	79,407
Operating margin, %	13.3	20.0	18.4
Profit after tax	12,443	15,867	61,991
Share price as of the last balance sheet date, SEK	1.16/1.13	1.48/1.43	5.79/5.62
Equity/assets ratio, %	66.9	69.9	69.7
Cash and cash equivalents	23,470	97,510	43,012



Comments from the CEO

The year begins with an organic revenue growth of 22 % for the first quarter. The slightly lower growth results from the Swedish market having reached a maturity phase with the current product portfolio. Other markets are developing as expected, with Norway continuing its growth path, reminding us of our journey in Sweden.

We intend to launch a new product category at the Elfack electrical fair in Gothenburg on May 9 and expect it to start a new wave of growth.

Combined with solid growth primarily led by our new product categories, we expect leverage in profitability with a markedly improved operating margin. We have reached a level where the cost mass will level out in the future.

We see an improvement in the global component situation, meaning we do not need to stock as much as before. We are midway through this changeover and have significantly increased our inventory levels. This has led to continued fluctuations in inventory and liquidity. The effect is expected and part of our strategy to prioritize delivery security to our customers over the past two years. We are planning for reduced inventory levels in the second half of 2023.

In conclusion, I would like to thank the team for a great job in the first quarter and now look forward to launching a new product category on our defined path of multidimensional growth.

Babak Esfahani
CEO



Market development

The market for connected smart lighting has grown strongly in recent years and is expected to continue to grow strongly for many years to come. The market growth is affected by several underlying factors where the overall transition to connected electronics, also known as the Internet of Things, is the strongest driver. Other driving factors are cost savings and greater flexibility in installations with wireless control instead of drawing cables. Energy savings can be made through simple scheduling and proximity-sensor control, which is both cost-effective and good for the climate. Increased mobile phone use is also a factor that is driving the transition to connected lighting, where the mobile phone as a tool is paving the way for simple and powerful configuration, at the same time that the acceptance of using an “app” for configuration and control is growing. Plejd is active in the professional market for lighting control, which put simply means fixed lighting that is installed by electricians for both private and commercial use.

As a B2B supplier, Plejd primarily has direct customer relationships with electrical wholesalers in every market the company is active in. Our indirect main customer is the electrician who in turn installs our products at the end user, which may be either a private or commercial installation. Examples of installations are apartments, single-family homes, stores, restaurants and offices.

Significant risks and uncertainties

The company's operations are exposed to certain risks that may have varying impacts on earnings and financial position. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth. The foremost risk to take into account in the phase that the company is in is mainly potential quality-related problems that may arise as a result of strong growth and a relatively complex product that consists of both hardware and software in high volumes.

Quality problems are a normal risk for a rapidly growing technology company, but it is extra sensitive in the industry that the company is active in, where trust among electricians is incredibly important. The background of this assumption is that a potential return visit to a customer due to faulty products is costly for both the electrician and end user, which makes operational reliability a key factor in the selection of suppliers. As yet, the company has not had any quality problems of an impacting nature and it works with very strict quality control throughout the development work to manage this risk.

The company is at risk of being involved in legal or administrative proceedings within the framework of the operating activities, and in so doing risks also being subject to claims regarding contractual issues, product liability and alleged errors in the delivery of the company's products and services, which may relate to damage claims or other claims for payments, including damage claims from customers or competitors for breaches of competition law and patent and trademark issues. There are inherent difficulties in anticipating the outcome of legal, regulatory and other negative outcomes or claims and if the outcome of any future legal and administrative proceedings becomes unfavorable to the company, this may have a negative effect on the Group's financial position and operating profit.

There is still a global component shortage that affects the supply of components on the market, but because of the measures we have taken, our delivery capacity remains unaffected. Through a combination of good inventory levels and production-related processes, we can easily redesign products to work with more components. This provides us with more options when purchasing and reduces the risk of component shortages, but for us, like other companies, the future is difficult to predict, which means that the situation may change.

Transactions with related parties

There were no such transactions during the period.

Personnel and organization

At the end of the period, number of employees amounted to 207. In addition to this, the company engages external consultants for specific projects.

Number of employees at the end of the period	Plejd AB	Plejd AS	Plejd OY	Plejd BV	Total, Group
Number of employees Q1 2023	189	14	2	2	207
Number of employees Q1 2022	159	11	1	0	171

Number of shares

At the end of the period, number of shares amounted to 10,706,720 (10,706,720).

Liquidity and financing

Liquidity at the end of the period was (TSEK):

Cash and bank balances	23,470
Remaining to use overdraft	60,000
Total	83,470



Financial position and performance | Group

Revenues, costs and profit

First Quarter | Jan–March

Net sales amounted to TSEK 121,296 (99,305), which means a growth of 22.1 % compared to the same period last year.

Capitalized work on the company's own behalf amounted to TSEK 22,565 (12,410) for the quarter. The increase of activated time compared to the previous year is due to the fact that we are approaching launch and all resources are focusing on completing new products to be launched according to the expected timeplan.

The gross margin amounted to 56.4 % (59.0). The gross margin becomes more volatile between quarters to consequence of larger product portfolio with varying gross margin per product.

The result from financial items amounted to TSEK 16,100 (19,857). The costs has increased over a period, but is expected to stabilize at the current level. The increase mainly consists of premises costs in connection with relocation and increased staff strength.

Cash flow, investments and financial position

First Quarter | Jan–March

Cash flow from operating activities over the quarter amounted to an inflow of TSEK 14,045 (10,581). The cash flow was negatively affected, mainly in relation to stockpiling, as a result of the somewhat volatile component situation that still is ongoing. The regulation of credit invoices regarding bonuses to customers that are issued annually means that accounts receivable temporarily decrease at the beginning of the quarter and then return to normal levels at the end of the quarter.

During the quarter, investments were made that affected the cash flow by TSEK -27,886 (-14,479). The investments mainly consist of capitalized time regarding new products and as we are approaching the launch of a new product category, this item has increased during the quarter, as a result of increased time consumption.

Cash and cash equivalents amounted to TSEK -5,621 (-4,196), vilket till största delen består av amortering avseende leasingfinansierade tillgångar.

Income Statement | Group

Amounts in TSEK	Note	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Net sales	3	121,296	99,305	430,823
Capitalized work on own account		22,565	12,410	68,004
Other operating revenues		591	1,710	3,735
Total income		144,452	113,425	502,562
Raw materials and consumables		-52,920	-40,755	-178,058
Operating expenses		-21,167	-11,784	-61,885
Personnel expenses		-39,808	-31,854	-139,049
Depreciation, amortization and impairments		-12,359	-8,695	-39,151
Other operating expenses		-2,098	-481	-5,012
Total operating expenses		-128,352	-93,568	-423,155
Operating profit		16,100	19,856	79,407
Financial items		-298	-250	-1,076
Total profit from financial items		-298	-250	-1,076
Earnings after financial items		15,802	19,607	78,331
Profit before tax		15,802	19,607	78,331
Taxes		-3,358	-3,739	-16,340
PROFIT FOR THE PERIOD		12,443	15,867	61,991
Attributable to the parent company's shareholders		12,443	15,867	61,991
Other comprehensive income				
<i>Items that may be reclassified to profit/loss for the period</i>				
Exchange differences in translation of foreign operations		-259	-36	3
Other comprehensive income for the period		-259	-36	3
Total comprehensive income for the period		12,184	15,831	61,994

The profit/loss and the total comprehensive income for the period are entirely attributable to the Parent Company's shareholders.

Earnings per share, calculated on earnings for the period attributable to the Parent Company's shareholders:

Amounts in SEK	Note	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Earnings per share before dilution	4	1.16	1.48	5.79
Earnings per share after dilution	4	1.13	1.43	5.62

Balance Sheet | Group

Amounts in TSEK	Note	31 March 2023	31 March 2022	31 Dec 2022
ASSETS				
Fixed assets				
Intangible assets		178,883	123,518	161,210
Tangible assets		32,936	13,281	29,645
Financial assets		2,162	81	1,939
Right of use assets		59,407	55,911	58,556
Total fixed assets		273,388	192,791	251,350
Current assets				
Inventory		167,418	84,676	152,926
Short-term receivables		88,481	70,190	65,358
Cash and cash equivalents		23,470	97,510	43,012
Total current assets		279,369	252,376	261,296
TOTAL ASSETS		552,757	445,168	512,646
EQUITY				
Equity		369,737	311,390	357,553
Total equity attributable to Parent Company shareholders		369,737	311,390	357,553
LIABILITIES				
Non-current liabilities		34,493	34,647	35,431
Current liabilities		148,527	99,131	119,662
Total liabilities		183,020	133,778	155,093
TOTAL EQUITY AND LIABILITIES		552,757	445,168	512,646

Changes in Equity | Group

Equity attributable to Parent Company's shareholders

Amounts in TSEK	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Total equity
Opening balance at 1 Jan 2022	1,606	254,292	-8	39,669	295,559
Profit for the period	-	-	-	61,991	61,991
Other comprehensive income for the period	-	-	3	-	3
Total comprehensive income for the period	0	0	3	61,991	61,994
Options	-	-	-	-	-
New share issue	-	-	-	-	-
Total transactions with shareholders	0	0	0	0	0
Closing balance at 31 Dec 2022	1,606	254,292	-5	101,660	357,553
Opening balance at 1 Jan 2023	1,606	254,292	-5	101,660	357,553
Profit for the period	-	-	-	12,443	12,443
Other comprehensive income for the period	-	-	-259	-	-259
Total comprehensive income for the period	0	0	-259	12,443	12,184
Options	-	-	-	-	-
New share issue	-	-	-	-	-
Total transactions with shareholders	0	0	0	0	0
Closing balance at 31 March 2023	1,606	254,292	-264	114,103	369,737

Cash Flow Statement | Group

Amounts in TSEK	Note	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Cash flow from operating activities				
Operating profit		16,100	19,856	79,407
Adjustments for non-cash items		12,359	8,695	39,151
Tax paid		-13,781	-1,561	-1,431
Interest paid		-298	-250	-1,076
Cash flow from operating activities before changes in working capital		14,380	26,741	116,050
Cash flow from changes in working capital				
Increase/decrease in inventories		-14,492	-15,406	-83,656
Increase/decrease in accounts receivable		-28,108	-15,445	-453
Increase/decrease in other current receivables		4,984	5,368	-4,791
Increase/decrease in accounts payable		24,916	510	8,153
Increase/decrease in other current liabilities		12,364	8,811	6,489
Total changes in working capital		-335	-16,161	-74,258
Cash flow from operating activities		14,045	10,581	41,792
Cash flow from investing activities				
Investments in intangible assets		-22,565	-12,410	-61,836
Investments in tangible assets		-5,325	-2,065	-23,043
Investments in financial assets		5	-4	-1,379
Cash flow from investing activities		-27,886	-14,479	-86,258
Cash flow from financing activity				
New share issue		-	-	-
Repayments of leasing liabilities		-5,621	-4,196	-18,706
Options		-	-	-
Cash flow from financing activities		-5,621	-4,196	-18,706
Decrease/increase in cash and cash equivalents				
Cash flow for the period		-19,462	-8,095	-63,171
Cash and cash equivalents at start of period		43,012	105,478	105,478
Exchange differences in cash and cash equivalents		-80	127	705
Cash and cash equivalents at end of period		23,470	97,510	43,012

Income Statement | Parent Company

Amounts in TSEK	Note	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Net sales		112,317	93,505	406,648
Capitalized work on own behalf		22,565	12,410	68,004
Other operating income		591	1,184	3,735
Total income		135,474	107,099	478,387
Raw materials and consumables		-54,053	-40,755	-181,653
Operating expenses		-25,103	-14,493	-72,632
Personnel expenses		-34,551	-28,171	-123,778
Depreciation, amortization and impairments		-6,886	-4,611	-20,813
Other operating expenses		-937	-943	-4,526
Total operating expenses		-121,531	-88,973	-403,403
Operating profit		13,943	18,126	74,984
Profit from financial items				
Financial items		-4	-16	-39
Total profit from financial items		-4	-16	-39
Earnings after financial items		13,939	18,110	74,946
Profit before tax		13,939	18,110	74,946
Taxes		-2,905	-3,731	-15,728
PROFIT FOR THE PERIOD		11,033	14,379	59,217

The Parent Company has no items recognized as other comprehensive income, which is why total comprehensive income for the period is the same as profit/loss for the period.

Balance Sheet | Parent Company

Amounts in TSEK	Note	31 March 2023	31 March 2022	31 Dec 2022
ASSETS				
Fixed assets				
Intangible assets		161,318	105,954	143,646
Tangible assets		34,346	14,680	30,974
Financial assets		4,510	3,080	4,510
Total fixed assets		200,175	123,714	179,131
Current assets				
Inventory		163,929	69,670	150,060
Current receivables		88,763	98,426	77,046
Cash and cash equivalents		16,432	81,549	27,476
Total current assets		269,124	249,644	254,581
TOTAL ASSETS		469,299	373,358	433,712
EQUITY				
Equity		351,470	295,598	340,436
Total equity		351,470	295,598	340,436
LIABILITIES				
Non-current liabilities		-	-	-
Current liabilities		117,829	77,760	93,276
Total liabilities		117,829	77,760	93,276
TOTAL EQUITY AND LIABILITIES		469,299	373,358	433,712

Notes

Note 1 | General information

Plejd AB (publ) ("Plejd"), corporate ID no. 556790-9477 is a Parent Company registered in Sweden with its registered office in Mölndal.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (SEK '000s). Information in parentheses refers to the comparative year.

Note 2 | Summary of key accounting principles

The key accounting principles applied during the preparation of this annual report are presented below. These principles have been applied consistently to all the periods presented, unless otherwise stated.

Plejd's consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act, recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board, International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The consolidated financial statements were prepared using the cost method. The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. In addition, management must make certain assessments in the application of the Group's accounting principles.

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the Parent Company, in the interim report for the legal entity, applies all IFRS and statements adopted by the EU to the furthest extent possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation.

Note 3 | Net sales

Revenues

The revenues from external parties reported to the CEO are measured in the same way as the consolidated statement of comprehensive income. All revenues are recognized at one point in time.

	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
Revenues from external customers by type of product and service:			
Products for lighting control	121,296	99,305	430,823
TOTAL	121,296	99,305	430,823
Revenues from external customers by country, based on customer location			
Sweden	79,171	71,119	303,774
Norway	34,391	24,325	108,926
Finland	3,934	2,523	10,026
The Netherlands	2,154	720	4,521
Other countries	1,646	618	3,576
TOTAL	121,296	99,305	430,823

Note 4 | Earnings per share

	Jan–March 2023	Jan–March 2022	Jan–Dec 2022
SEK			
Earnings per share before dilution	1.16	1.48	5.79
Earnings per share after dilution	1.13	1.43	5.62
Earnings measurements used in the calculation of earnings per share			
Profit attributable to Parent Company shareholders used in the calculation of earnings per share before and after dilution	12,443	15,867	61,991
Profit attributable to Parent Company shareholders	12,443	15,867	61,991
No. of			
Weighted average number of ordinary shares used in calculating earnings per share before dilution	10,706,720	10,706,720	10,706,720
Optioner			
Adjustments for calculation of earnings per share after dilution regarding warrants	295,527	357,064	329,490
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in the calculation of earnings per share after dilution	11,002,247	11,076,784	11,036,210

Note 5 | Events after the end of the interim period

No events significant to the company have occurred after the end of the reporting period as of 31 March 2023.

Note 6 | Key financial indicators

In addition to the key financial indicators prepared in accordance with IFRS, Plejd presents key financial indicators not defined according to IFRS, such as Gross margin and EBITDA. These alternative performance measures are considered to be important results and performance measures for investors and other users of the interim report. The alternative performance measures shall be seen as a complement to, but not a replacement for, the financial information prepared in accordance with IFRS. Plejd's definitions of these measurements that are not defined according to IFRS are described in this note.

Performance measure	Definition	Objective
Operating profit (EBIT)	Profit/loss before tax excluding net financial items	Monitoring the earnings trend in the Group
EBITDA	Operating profit/loss excluding amortization, depreciation and impairment	Monitoring the earnings trend in the Group
Gross margin	Gross margin = gross profit/sales	Monitoring sales in relation to direct costs for products
Equity/assets ratio	Equity at the end of period in relation to total assets at the end of period	Monitoring the Group's long-term payment capacity
Cash and cash equivalents	Cash and bank assets	Monitoring the Group's short-term payment capacity
Number of employees	Number of employees during the period. This item includes part-time employees	Monitoring the Group's growth in number of employees

Upcoming report dates

- Half-year report 2023 (13 July 2023).
- Interim report third quarter 2023 (19 October 2023).
- Year-end report 2023 (1 February 2024).

Möln dal, 20 April 2023

Babak Esfahani
CEO





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