



Interim Report

Second Quarter of 2023

Plejd AB (publ)



Interim Report

Second Quarter of 2023

Second Quarter | April–June 2023

- Net sales amounted to TSEK 110,328 (106,392), which is an increase of 3.7% compared to the same period last year.
- The gross margin amounted to 57.4% (58.6).
- Operating profit before depreciation (EBITDA) amounted to TSEK 21,232 (29,911), which corresponds to an operating margin before depreciation of 19.2% (28.1).
- Operating profit (EBIT) amounted to TSEK 7,947 (20,589), which corresponds to an operating margin of 7.2% (19.4).
- Earnings per share before dilution amounted to SEK 0.53 (1.48).

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

Half-year | Jan–June 2023

- Net sales amounted to TSEK 231,624 (205,698), which is an increase of 12.6% compared to the same period last year.
- The gross margin amounted to 56.9% (58.8).
- Operating profit before depreciation (EBITDA) amounted to TSEK 49,691 (58,462), which corresponds to an operating margin before depreciation of 21.5% (28.4).
- Operating profit (EBIT) amounted to TSEK 24,047 (40,446), which corresponds to an operating margin of 10.4% (19.7).
- Earnings per share before dilution amounted to SEK 1.69 (2.96)

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

Events during the quarter

- Plejd launches a smart luminaire series and shows a wireless sensor.
- The initial order book for luminaires amounts to over 100,000 units, which is larger than expected.
- Plejd announces the outcome of the exercise of warrants of series 2020/2023.

Events after the quarter

- Montanaro Asset Management has increased its holding in Plejd to 571,500 shares, corresponding to 5.11% of votes and capital.

Financial overview

Amounts in TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Net sales	110,328	106,392	231,624	205,698	430,823
Gross margin, %	57.4	58.6	56.9	58.8	58.7
Operating profit	7,947	20,589	24,047	40,446	79,407
Operating margin, %	7.2	19.4	10.4	19.7	18.4
Profit after tax	5,637	15,811	18,081	31,678	61,991
Share price as of the last balance sheet date, SEK	0.53/0.53	1.48/1.43	1.69/1.69	2.96/2.87	5.79/5.62
Equity/assets ratio, %	70.9	68.7	70.9	68.7	69.7
Cash and cash equivalents	26,519	97,788	26,519	97,788	43,012

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.



Comments from the CEO

New product category launches

The quarter's absolute highlight is that we reached a big milestone, the launch of our new smart luminaire series. It is shown for the first time at Elfack in Gothenburg and is our first new product category since the puck series for lighting control was launched in 2016. The reception has exceeded our expectations, with an order book that already exceeds the whole planned production of 100,000 units for 2023. To meet the demand, we are increasing our production rate further and are now expecting to deliver more units than originally was planned for 2023.

We see a dip in the growth curve during the second quarter due to the current macro-economic conditions, which is reflected in the installations mainly on the Swedish market. The dip in the growth curve for installations is observed at the end of April but recovers again at the end of June. Growth in installations for the quarter is on average at 8 %, of which 4 % in April and 12 % in June. In periods of bigger volatility in turnover, growth in installations is a better measure of the underlying demand.

The profitability is negatively affected during the quarter. The primary factors are the dip in the growth curve and also costs related to the launch of our new luminaire series and our international expansion in Germany, Switzerland and Spain.

Our international markets with Norway at the front continue to show strong growth in installations. The Netherlands shows an impressive growth and is on their way to replace Finland as our third largest market. During the quarter, we are also open up for sales to Denmark which means that we are now represented in all Nordic countries. During 2024 a launch is planned for the long-awaited product adaptations for our international markets.



It expects to lead to increased growth on these markets in the future. Provided that installations of our new luminaire series reflect the initial interest, Sweden's growth curve also expects to turn this autumn.

In summary, I would like to thank the team for a great work during the second quarter and we are now looking forward to a new wave of strong growth driven by our new luminaire series and our strongly growing international markets.

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 199. 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 Q2 2023	180	14	2	3	199
Number of employees Q2 2022	171	13	2	0	186

Number of shares

At the end of the period, number of shares amounted to 11,178,720 (10,706,720).

Liquidity and financing

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

Cash and bank balances	26,519
Remaining to use overdraft	60,000
Total	86,519



Financial position and performance | Group

Revenues, costs and profit

Second Quarter | April–June

Net sales amounted to TSEK 110,328 (106,392), which means a growth of 3.7% compared to the same period last year.

Capitalized work on the company's own behalf amounted to TSEK 22,105 (15,783) for the quarter. The increased activated time compared to the previous year results from the launch of a new product category. At all major launches, time spent increases as more departments are involved.

The gross margin amounted to 57.4% (58.6). The gross margin becomes more volatile between quarters as a consequence of larger product portfolio with varying gross margin per product.

The operating profit amounted to TSEK 7,947 (20,589). The costs has increased over a period due to launches and international investments.

Half-year | Jan–June

Net sales amounted to TSEK 231,624 (205,698), which means a growth of 12.6% compared to the same period last year.

Capitalized work on the company's own behalf amounted to TSEK 44,671 for the quarter. (28,193). The increased activated time compared to the previous year results from the launch of a new product category. At all major launches, time spent increases as more departments are involved.

The gross margin amounted to 56.9% (58.8). The gross margin becomes more volatile between quarters as a consequence of larger product portfolio with varying gross margin per product.

The operating profit amounted to TSEK 24,047 (40,446). The costs has increased over a period due to launches and international investments.

Cash flow, investments and financial position

Second Quarter | April–June

Cash flow from operating activities over the quarter amounted to TSEK -6,719 (24,161). The cash flow was negatively affected mainly regarding increase in inventory due to the somewhat volatile component situation and the stocking of components for the new product category.

During the quarter, investments were made that negatively impacted the cash flow by TSEK -25,415 (-19,414). The investments mainly consist of capitalized time regarding new products, and when we launched a new product category, this item has increased during the quarter due to increased time consumption.

The cash flow from financing activities was TSEK 34,826 (-4,566), which primarily consists of the warrant program that ended in June, where 472,000 warrants were used to subscribe for the same number of shares and added cash of TSEK 40,592.

Half-year | Jan–June

Cash flow from operating activities during the second half-year amounted to TSEK 7,326 (34,742). The cash flow was negatively affected, mainly regarding increase in inventory, as a result of the somewhat volatile component situation, which still affects inventory flows and the storage of components for the new product category.

During the quarter, investments were made that affected the cash flow by TSEK -53,301 (-33,893). The investments mainly consist of capitalized time regarding new products, and when we launched a new product category, this item increased during the quarter due to increased time consumption.

The cash flow from financing activities was TSEK 29,205 (-8,763), which primarily consists of the warrant program that ended in June, where 472,000 warrants were used to subscribe for the same number of shares and added cash of TSEK 40,592.

Cash and cash equivalents amounted to TSEK 26,519 (97,788) at the end of the period.



Income Statement | Group

Amounts in TSEK	Note	April–June 2023	April–June 2022	Jan–June 2023	Jan–June 2022	Jan–Dec 2022
Net sales	3	110,328	106,392	231,624	205,698	430,823
Capitalized work on own account		22,105	15,783	44,671	28,193	68,004
Other operating revenues		2,042	33	2,633	1,742	3,735
Total income		134,476	122,208	278,928	235,633	502,562
Raw materials and consumables		-47,024	-43,999	-99,944	-84,754	-178,058
Operating expenses		-23,384	-12,973	-44,550	-24,757	-61,885
Personnel expenses		-41,217	-33,306	-81,025	-65,160	-139,049
Depreciation, amortization and impairments		-13,285	-9,321	-25,644	-18,017	-39,151
Other operating expenses		-1,619	-2,019	-3,717	-2,500	-5,012
Total operating expenses		-126,529	-101,618	-254,881	-195,187	-423,155
Operating profit		7,947	20,589	24,047	40,446	79,407
Financial items		-709	-250	-1,007	-499	-1,076
Total profit from financial items		-709	-250	-1,007	-499	-1,076
Earnings after financial items		7,238	20,340	23,040	39,946	78,331
Profit before tax		7,238	20,340	23,040	39,946	78,331
Taxes		-1,601	-4,529	-4,959	-8,269	-16,340
PROFIT FOR THE PERIOD		5,637	15,811	18,081	31,678	61,991
Attributable to the parent company's shareholders		5,637	15,811	18,081	31,678	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		185	43	-74	7	3
Other comprehensive income for the period		185	43	-74	7	3
Total comprehensive income for the period		5,822	15,854	18,007	31,685	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	April–June 2023	April–June 2022	Jan–June 2023	Jan–June 2022	Jan–Dec 2022
Earnings per share before dilution	4	0.53	1.48	1.69	2.96	5.79
Earnings per share after dilution	4	0.53	1.43	1.69	2.87	5.62

Balance Sheet | Group

Amounts in TSEK	Note	30 June 2023	30 June 2022	31 Dec 2022
ASSETS				
Fixed assets				
Intangible assets		195,585	129,419	161,210
Tangible assets		34,138	21,066	29,645
Financial assets		2,289	1,733	1,939
Right of use assets		56,218	54,194	58,556
Total fixed assets		288,230	206,412	251,350
Current assets				
Inventory		176,278	98,627	152,926
Short-term receivables		95,674	73,615	65,358
Cash and cash equivalents		26,519	97,788	43,012
Total current assets		298,472	270,030	261,296
TOTAL ASSETS		586,702	476,442	512,646
EQUITY				
Equity		416,101	327,244	357,553
Total equity attributable to Parent Company shareholders		416,101	327,244	357,553
LIABILITIES				
Non-current liabilities		32,074	32,819	35,431
Current liabilities		138,526	116,379	119,662
Total liabilities		170,600	149,198	155,093
TOTAL EQUITY AND LIABILITIES		586,702	476,442	512,646

Changes in Equity | Group

EEquity 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
Warrants	-	-	-	-	-
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	-	-	-	18,081	18,081
Other comprehensive income for the period	-	-	-74	-	-74
Total comprehensive income for the period	0	0	-74	18,081	18,007
Warrants	71	40,471	-	-	40,542
New share issue	-	-	-	-	-
Total transactions with shareholders	71	40,471	0	0	40,542
Closing balance at 30 June 2023	1,677	294,763	-79	119,741	416,101

Cash Flow Statement | Group

Amounts in TSEK	Note	April–June 2023	April–June 2022	Jan–June 2023	Jan–June 2022	Jan–Dec 2022
Cash flow from operating activities						
Operating profit		7,947	20,589	24,047	40,446	79,407
Adjustments for non-cash items		13,285	9,321	25,644	18,017	39,151
Tax paid		-3,056	-58	-16,837	-1,618	-1,431
Interest paid		-709	-250	-1,007	-499	-1,076
Cash flow from operating activities before changes in working capital		17,467	29,603	31,847	56,345	116,050
Cash flow from changes in working capital						
Increase/decrease in inventories		-8,860	-13,951	-23,352	-29,357	-83,656
Increase/decrease in accounts receivable		-5,217	-4,342	-33,324	-19,787	-453
Increase/decrease in other current receivables		-1,976	917	3,008	6,285	-4,791
Increase/decrease in accounts payable		-11,729	6,960	13,187	7,470	8,153
Increase/decrease in other current liabilities		3,596	4,974	15,960	13,786	6,489
Total changes in working capital		-24,186	-5,442	-24,521	-21,603	-74,258
Cash flow from operating activities		-6,719	24,161	7,326	34,742	41,792
Cash flow from investing activities						
Investments in intangible assets		-22,105	-9,615	-44,671	-22,025	-61,836
Investments in tangible assets		-3,309	-8,878	-8,634	-10,943	-23,043
Investments in financial assets		-1	-921	4	-925	-1,379
Cash flow from investing activities		-25,415	-19,414	-53,301	-33,893	-86,258
Cash flow from financing activity						
New share issue		-	-	-	-	-
Amortization of leasing liabilities		-5,716	-4,566	-11,337	-8,763	-18,706
Warrants		40,542	-	40,542	-	-
Cash flow from financing activities		34,826	-4,566	29,205	-8,763	-18,706
Decrease/increase in cash and cash equivalents						
Cash flow for the period		2,692	181	-16,770	-7,914	-63,171
Cash and cash equivalents at start of period		23,470	97,510	43,012	105,478	105,478
Exchange differences in cash and cash equivalents		358	97	278	224	705
Cash and cash equivalents at end of period		26,519	97,788	26,519	97,788	43,012

Income Statement | Parent Company

Amounts in TSEK	Note	April–June 2023	April–June 2022	Jan–June 2023	Jan–June 2022	Jan–Dec 2022
Net sales		103,300	109,011	215,617	202,516	406,648
Capitalized work on own behalf		22,106	15,782	44,671	28,193	68,004
Other operating income		2,002	557	2,593	1,741	3,735
Total income		127,408	125,350	262,881	232,449	478,387
Raw materials and consumables		-47,479	-48,625	-101,532	-89,380	-181,653
Operating expenses		-28,438	-15,837	-53,541	-30,330	-72,632
Personnel expenses		-37,169	-30,396	-71,720	-58,567	-123,778
Depreciation, amortization and impairments		-7,507	-4,894	-14,393	-9,505	-20,813
Other operating expenses		-1,816	-685	-2,753	-1,627	-4,526
Total operating expenses		-122,408	-100,437	-243,939	-189,410	-403,403
Operating profit		4,999	24,913	18,942	43,039	74,984
Profit from financial items						
Financial items		-423	-4	-427	-20	-39
Total profit from financial items		-423	-4	-427	-20	-39
Earnings after financial items		4,576	24,909	18,515	43,019	74,946
Profit before tax		4,576	24,909	18,515	43,019	74,946
Taxes		-993	-5,260	-3,898	-8,991	-15,728
PROFIT FOR THE PERIOD		3,584	19,649	14,617	34,028	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	30 June 2023	30 June 2022	31 Dec 2022
ASSETS				
Fixed assets				
Intangible assets		178,020	111,854	143,646
Tangible assets		35,552	22,412	30,974
Financial assets		4,792	4,004	4,510
Total fixed assets		218,364	138,271	179,131
Current assets				
Inventory		172,191	94,289	150,060
Current receivables		95,629	94,758	77,046
Cash and cash equivalents		20,210	86,587	27,476
Total current assets		288,030	275,633	254,581
TOTAL ASSETS		506,395	413,904	433,712
EQUITY				
Equity		395,595	315,247	340,436
Total equity		395,595	315,247	340,436
LIABILITIES				
Non-current liabilities		-	-	-
Current liabilities		110,799	98,656	93,276
Total liabilities		110,799	98,656	93,276
TOTAL EQUITY AND LIABILITIES		506,395	413,904	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.

	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
Revenues from external customers by type of product and service:					
Products for lighting control	110,328	106,392	231,624	205,698	430,823
TOTAL	110,328	106,392	231,624	205,698	430,823
Revenues from external customers by country, based on customer location					
Sweden	68,986	81,997	148,158	153,116	303,774
Norway	33,418	20,358	67,809	44,683	108,926
Finland	3,549	2,100	7,482	4,623	10,026
The Netherlands	2,511	1,241	4,664	1,961	4,521
Other countries	1,864	696	3,511	1,314	3,576
TOTAL	110,328	106,392	231,624	205,698	430,823

Note 4 | Earnings per share

	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
SEK					
Earnings per share before dilution	0.53	1.48	1.69	2.96	5.79
Earnings per share after dilution	0.53	1.43	1.69	2.87	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	5,637	15,811	18,081	31,678	61,991
Profit attributable to Parent Company shareholders	5,637	15,811	18,081	31,678	61,991
No. of					
Weighted average number of ordinary shares used in calculating earnings per share before dilution	10,722,280	10,706,720	10,714,543	10,706,720	10,706,720
Warrants					
Adjustments for calculation of earnings per share after dilution regarding warrants	0	334,574	0	347,054	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	10,722,280	11,041,294	10,714,543	11,053,774	11,036,210

Note 5 | 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

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

Mölnådal, 13 July 2023

Babak Esfahani
CEO





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