



LUG Spółka Akcyjna  
Producent Opraw Oświetleniowych



**Report's type** Current report ESPI

**Number** 2/2025

**Entity** LUG S.A.

**Subject:** Estimated consolidated selected financial data of LUG S.A. Capital Group for I quarter 2025.

**Content:**

The Management Board of LUG S.A. with its headquarter in Zielona Góra ("LUG", "Issuer"), due to receiving today information on selected estimated financial data of the LUG S.A. Capital Group for the first quarter of 2025, as well as their changes in relation to the financial results presented in the corresponding periods of previous years, encloses selected estimated consolidated financial data for the first quarter of 2025, together with comparative data for the corresponding periods of the financial years 2022-2024 and the commentary below.

The Management Board of the Issuer indicates that, in order to ensure data comparability, the results for Q1 2023 and Q1 2024 have been restated in accordance with a change in accounting policy involving a different approach to the presentation of purchased and sold subscriptions related to the Urban lighting management system.

- The consolidated sales revenue of the LUG S.A. Capital Group in the analyzed period of Q1 2025 reached PLN 52.92 million, which represents an increase of 13.3% compared to the corresponding period in 2024.

Sales revenue over the first three months of 2025 showed an upward trend due to the execution of projects won under the "We Illuminate Poland" program, which entered the implementation phase in 2025.

A challenging competitive environment and strong price pressure in 2024, during the bidding and tender adjudication phases of these projects, significantly impacted their profitability and the level of achieved margin.

The consolidated results of the LUG Group in Q1 2025 also include revenue generated under the option right for the second contract for the "Supply of new LED lighting fixtures" for the Capital City of Warsaw, which amounted to PLN 0.82 million in the analyzed period.

- Gross profit on sales generated in the first quarter of the current year reached PLN 19.65 million, compared to PLN 18.74 million in Q1 2024 (+4.9% year-on-year).

At the same time, the gross profit margin on sales in Q1 2025 amounted to 37.1%, which was 3.0 percentage points lower than in the previous year.

- At the operating level, the LUG Group recorded a loss of PLN 2.13 million in Q1 2025, compared to a loss of PLN 1.74 million in the corresponding period of 2024. The structure of the operating result was reflected in the operating margin, which was negative at -4.0% in Q1 2025. Given this operating result, the consolidated EBITDA amounted to PLN 1.55 million in the first quarter of the current year, representing a 30.7% increase compared to Q1 2024. The EBITDA margin reached 2.9% in Q1 2025, which was 0.4 percentage points higher year-on-year.
- The consolidated net result of the LUG Capital Group for the first three months of 2025 amounted to PLN -1.64 million, compared to PLN -1.07 million in the corresponding period of the previous year. As a result of the recorded net loss, the net profitability in Q1 of the current year stood at -3.1%, which was 0.8 percentage points lower year-on-year.

The first quarter of 2025 brought initial signs of moderate economic growth, driven primarily by the services sector and weakened by significant uncertainty regarding domestic policy and trade policy. Economic sectors showed mixed performance: services had a positive impact on PMI readings, while the industrial sector remained weak, with a particularly concerning decline in optimism due to rising costs, global uncertainty, and low order volumes.

Within the public sector—one of the key segments for the LUG Group—demand was stimulated by projects under the "We Illuminate Poland" program, which entered the implementation phase. Additionally, the investment spending levels announced by the government for 2025–2026, as well as funds from the National Recovery Plan (KPO) and other EU instruments, have the potential to support positive outlooks and contribute to achieving the projected GDP growth of 3.5% in 2025.

The condition of the European economy is improving at a slower pace than the domestic one. Economies such as Germany, France, and Italy have not reversed the downward trend but have only slowed the pace of decline. The main European PMI index in Q1 2025 remained below the 50-point threshold, though it showed initial signs of stabilization.



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The situation in the lighting market remains far from expectations, although the first signs of improvement are beginning to emerge, due to the several-month lifecycle of construction and modernization projects, their impact on LUG Group's results may only become visible in the second half of the current year.

The Management Board of the Issuer assesses the medium- and long-term stability of the LUG Group as unshaken, viewing the current results as a transitional phase. In the coming quarters, the Management Board of LUG S.A. will continue to closely monitor global economic indicators, seeking opportunities to balance costs and acquire new business prospects. At the same time, in the Board's view, the previously identified risk factors affecting the condition of entities in the lighting industry remain valid: unfavorable economic conditions, weak order dynamics in the eurozone, limited investment activity, payment gridlocks and liquidity challenges, wage pressure, and the lighting industry's delayed responsiveness to improvements in macroeconomic indicators.

The final financial figures presented in this report will be published in the periodic report for the first quarter of the current year on May 15, 2025.

**Legal basis:** Article 17 para. 1 MAR – confidential information.

**Attachment:** Szacunkowe skonsolidowane wybrane dane finansowe za I kwartał 2025.pdf

**Representative:**

Ryszard Wtorkowski – CEO of the Board