

Q1'25

Quarterly report



Executive summary



Revenue
Q1'25
+13.3% y/y

Gross profit
on sales
Q1'25
+4.9% y/y

PLN
52.92
mln

PLN
19.65
mln

PLN
1.55
mln

EBITDA
Q1'25
+30.3% y/y

PLN
-1.64
mln

Net profit*
Q1'25
-53.3% y/y

- 1Q'25 was marked by the first signs of economic recovery and stabilization of the macroeconomic environment;
- The LUG Group's quarterly revenue in 1Q'25 increased by 13.3%, reaching PLN 52.92 mln;
- Revenue structure: 51% domestic sales and 49% export sales;
- The gross profit margin remained under significant pricing pressure and stood at 37.1% in 1Q'25.

”We have completed another few months of work under challenging economic and social conditions that have impacted our operations. The global macroeconomic outlook remains demanding. The markets cautious approach to investments and new projects is reflected in the results achieved from January to March of this year. By developing products in line with ecodesign principles and grounded in the core tenets of sustainable development, the LUG Group holds advantages that allow it to respond proactively to changes in the professional lighting market. This market has become significantly more mature and competitive. Today, it is not only energy efficiency that matters, but also the creation of solutions that are sustainable throughout every stage of a product's life cycle.

*Ryszard Wtorkowski,
President of the Board/CEO*

* for shareholders of a parent company



Main events Q1'25



LUG at trade fairs

- **TEK.day in Wrocław**

TEK.day is a one-day event dedicated to professionals involved in electronics design and manufacturing.

Representatives of LUG, as a leading electronics manufacturer, showcased comprehensive EMS (Electronic Manufacturing Services), including: Surface Mount Technology (SMT) assembly, Through-Hole Technology (THT) assembly, Testing, Electronics cleaning, Ionic contamination analysis, Selective conformal coating, Quality inspection, Supply Logistics. As well as broadly understood manufacturing solutions tailored to clients across industries, ensuring high quality, flexibility, and timely project execution.

- **Licht 2025 in Oldenburg**

At the turn of March and April 2025, LUG representatives participated in the **Licht 2025** trade fair in Oldenburg, Germany. The LUG Light Factory team was present in two thematic houses: Nature & Outdoor Lighting, Architecture & Lighting Design.

- **32nd LIGHT Fair**

From March 12 to 14, 2024, LUG took part in the 32nd International Lighting Equipment Fair, the largest event of the Polish lighting industry, gathering professionals from across the sector. Additionally, Mariusz Ejsmont, Vice President of the Management Board of LUG S.A., delivered a presentation titled: "Warsaw in the Glow of Sustainable Development: SAVA Protecting DarkSky." Throughout the fair, LUG's Advisory Point was active, where Lighting Designers, Public Procurement Experts, and Technical Product Managers provided consultation and support to all interested parties.



Main events Q1'25

Rewards



During the 32nd International Lighting Equipment Trade Fair, LUG received:

- Second Prize in the competition for the “Best Lighting Investment of 2024” for the modernization of lighting on municipal streets and those managed by the Municipal Roads Authority in the Warsaw districts of Żoliborz, Bielany, Wawer, and on Solec Street in the Śródmieście district;
- First Prize in the competition for the “Best Product of the ŚWIATŁO 2025 Fair” in the architectural and technical lighting category for the RUNA 2.0 160 R lighting fixture;
- Distinction for the LIORA P streetlight fixture in the outdoor, park, and emergency lighting category.

[read more](#)
lightfair.pl

 [read more](#)
[linkedin.com](https://www.linkedin.com/company/lug-light-factory-sa/)



Main events Q1'25

Rewards



- LUG Light Factory has been awarded the EcoVadis Platinum Medal – the highest distinction granted to only 1% of all companies evaluated by this internationally recognized platform. The rating covered 21 sustainability criteria grouped into four key areas: Environment, Human and Labor Rights, Ethics, and Sustainable Procurement. LUG achieved a total score of 82 points, improving its previous year's result by an impressive 20 points.



ecovadis

- C Rating in the CDP Assessment In the first quarter of 2025, the LUG Group received its 2024 results within the CDP rating. The Group submitted disclosures to CDP under the Climate Change and Water categories and received a C rating in both. This result is consistent with the previous year. CDP is an environmental disclosure platform run by a global non-profit organization, which has developed an independent system for disclosing environmental information for companies, capital markets, cities, states, and regions.



About us

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions.

What you can measure,
you can manage.

700+
financial institutions with US\$142 trillion in assets

330+
purchasing organizations with an annual spend of US\$6.4 trillion

23,000+
disclosing companies

1,100+
disclosing cities, states & regions

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[ecovadis.com](https://www.ecovadis.com)

read more
[cdp.net](https://www.cdp.net)

Main events Q1'25



Seminar and meeting with students

- LUG experts participated in regional seminars organized by Millennium Construction Gazette.

The topic of the seminars was: **Road Construction and Road Infrastructure**.

Representatives from sectors related to these industries, as well as local government units (LGUs), had the opportunity to speak with our experts and attend a presentation titled: "DARK SKY – Modern Road Lighting in Harmony with Nature and Safety", during the events held in Szczecin and Poznań.

- Meeting with students specializing in Lighting Technology

In early April 2025, continuing the cooperation with Poznań University of Technology, LUG representatives delivered another lecture for students of the university's Electronics, Measurements, and Lighting Technology module within the Electrical Engineering program. During the lecture, participants learned not only about LUG's products, the production process, and insights into the lighting industry, but also about the company's history and core values.



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[Facebook – meeting with students](#)

 [read more](#)
[Facebook - seminar](#)



Main events Q1'25



Publication of the Sustainability Report of the LUG Capital Group as part of the 2024 Annual Report.



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For the second time, the LUG Group has published a sustainability report that meets the requirements set out by the CSRD (Corporate Sustainability Reporting Directive). The report includes:

- Information prepared based on an updated double materiality assessment, covering topics relevant to the LUG Capital Group such as: climate change, pollution, own workforce, consumers, and end users;
- Calculation of greenhouse gas emissions across all three scopes (for the fourth consecutive year);
- Results of the alignment analysis of LUG Capital Group's revenues and costs with the EU Taxonomy (sixth assessment).

And, for the first time:

- Results of the resilience analysis of the LUG Capital Group's strategy and business model in relation to climate change.

TOP lighting completions:

Q1'25



EKSPORT

Civil Guard Headquarters in Zaragoza (Spain);

Street lighting in the town of Drnis (Croatia);

Dhaman Hospital, Ahmadi (Kuwait).

DOMESTIC

MOSIR Pabianice KS Włókniarz sports field;

CNC Cream Askana Shopping Mall in Gorzów Wielkopolski;

Modernization of road lighting in Piaseczno.



Hospital lighting Dhaman, Kuwait

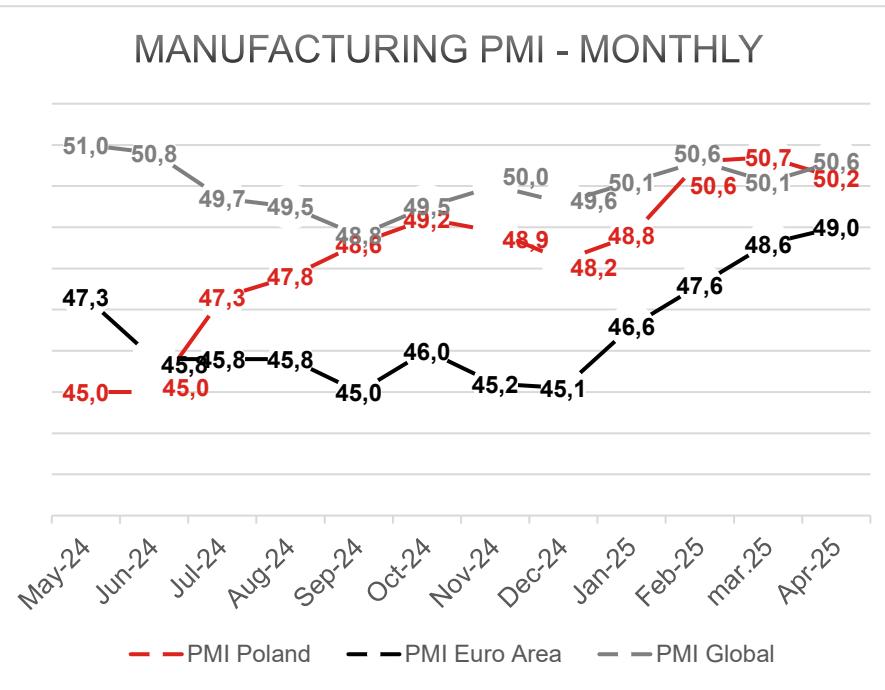
LUG'S largest completions

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Poland – economic conditions in the industry.

S&P Manufacturing PMI Polska



Highlights

- In April, the S&P PMI for the Polish manufacturing sector fell from March's level of 50.7 to 50.2, but remained above the neutral level for the third consecutive month;
- In Poland, production and new orders are growing at the fastest pace since February 2022;
- The first growth in export orders in over three years amid signs of recovery in Europe;
- HCOB Eurozone Manufacturing PMI: 48.6 (February: 47.6) – the highest level in 26 months;
- HCOB Eurozone Manufacturing PMI Output Index: at the end of Q1: 50.5 (February: 48.9) – the highest level in 34 months;
- Signs of recovery emerging as production levels rose for the first time since March 2023;
- Only two eurozone countries covered by the PMI survey recorded expansion in March – Greece and Ireland. Greek growth was strong and the fastest in nearly a year, while growth in Ireland slowed. Conditions for industrial activity in other countries remained challenging, although there were cautious signs of recovery, especially in the two largest economies of the currency union – Germany and France, where PMI readings reached their highest levels in 31 and 26 months respectively.

LED lighting market



Development prospects

Benefits of LED lighting

- ✓ Energy efficiency and financial savings.
- ✓ Guaranteed return on investment.
- ✓ Reduction of harmful greenhouse gas emissions.
- ✓ The latest technologies with high lighting performance.

⊕ Additionally, modern solutions for the installation, maintenance, and servicing of luminaires.

Forecasts for the global LED lighting market*:

+10.14%
CAGR
2025-2033

Forecasts for the European LED lighting market**:

+9.3%
CAGR
2025-2033

Growth factors

- Reduction of electricity costs thanks to LED.
- Development of infrastructure investments.
- New financial perspective in the EU countries.
- Climate regulations of the European Union.
- Development of Intelligent IoT Lighting.

Global LED market:

In 2024, the global LED market was valued at USD 71.74 billion.

By 2033, the global LED market is estimated to grow to USD 171.13 billion.

The European LED lighting market reached USD 24.7 billion in 2024. From 2025 to 2033, the projected compound annual growth rate (CAGR) is 9.3%, resulting in a market value of USD 55.1 billion by the end of 2033.**

*<https://www.researchandmarkets.com/report/led-lighting#tag-pos-1>

**<https://www.researchandmarkets.com/report/europe-led-lighting-market#tag-pos-8>

Construction market

Current market conditions for the fourth quarter and prospects for future periods.

The GUS construction industry sentiment indicator.****

[The value of the indicator ranges from -100 to +100]



The price dynamics of lighting fixtures from January-March 2024 – January-March 2025**

+3.2%

The GUS construction confidence indicator slightly increased in the surveyed quarter compared to the last quarter of the previous year, reaching -4.9 in March 2025.

In March, the growth rate of lighting fixture prices was 5.8% compared to the same period of the previous year.

In the period from January to March of this year, construction and assembly production increased compared to the same period of the previous year in units carrying out specialized construction works (by 6.6%) and those building civil engineering structures (by 1.8%), while it decreased in enterprises engaged in building construction (by 6.5%).

A persistent burden for the construction sector was the halt in investments co-financed by the EU, hence a revival is expected only in the second half of 2025.

An important factor stimulating the growth of construction investments in 2025 will be the inflow of funds from the National Recovery Plan (KPO) and the Cohesion Fund to Poland.

* GUS, *Koniunktura gospodarcza 2000-2025 (January, February, March 2025 r.)*

** GUS, *Ceny robót budowlano-montażowych w obiektów budowlanych (January 2025 r.)*

*** GUS, *Dynamika produkcji budowlano-montażowej 22.04.2025 r. w marcu 2025 r.*

Mission:

Through light, we create a sustainable living and development environment for a better tomorrow.

Strategic objectives 2023-2026

International
partnerships

Transformation
to services

Sustainable
growth

Quality of life
innovations

LUG's Strategy
2023-2026
read more



Strategic measures of LUG S.A. until 2026

Geographical structure of sales revenue [%]



*As of the end of 1Q'25

2023
2026

Net profit and margin for the shareholders of LUG S.A. [PLN mln, %]



*As of the end of 1Q'25

Financial results Q1'25



Profit & Loss

	PLN mln	1Q'24	1Q'25	y/y
Sales revenues		46.71	52.92	+13.3%
Gross profit on sales		18.74	19.65	+4.9%
Gross margin on sales		40.1%	37.1%	-3 p.p.
EBITDA		1.19	1.55	+30.3%
EBITDA profitability		2.5%	2.9%	+0.4 p.p.
Profit on operating activity		-1.73	-2.13	-1.8%
Operational profitability		-3.7%	-4.0%	-0.3 p.p.
Net profit*		-1.07	-1.64	-53.3%
<i>Net profitability*</i>		<i>-0.15%</i>	<i>-3.1%</i>	<i>-2.95 p.p.</i>

Revenue decline caused by unfavorable macroeconomic conditions and the closely related low investment activity in Europe.

Operating profit decreased by 18.8% year-over-year.

Quarterly decline in operating margin by 0.3 p.p. to -4.0%

Annual increase in EBITDA by 30.3%, from PLN 1.19 mln to PLN 1.55 mln.

Net result attributable to equity holders of the parent company in Q1'25 amounted to PLN -1.64 mln. Net margin stood at -3.1%.

Financial results Q1'25



Balance sheet

	PLN mln	31.03.2024	31.03.2025	y/y
Total assets		204.05	209.14	+2.5%
Tangible fixed assets and assets related to the right of use	49.71	48.95	-1.5%	
Intangible assets	25.59	27.61	+7.9%	
Current assets	124.04	127.97	+3.2%	
Inventory	65.60	65.02	-0.9%	
Cash and cash equivalents	8.25	7.09	-14.1%	
Equity	70.93	67.00	-5.5%	
Long-term liabilities	11.14	16.54	+48.5%	
Long-term loans and credits	3.58	12.17	+239.9%	
Short-term liabilities	121.98	125.60	+3.0%	
Short-term loans and credits	63.54	50.38	-20.7%	

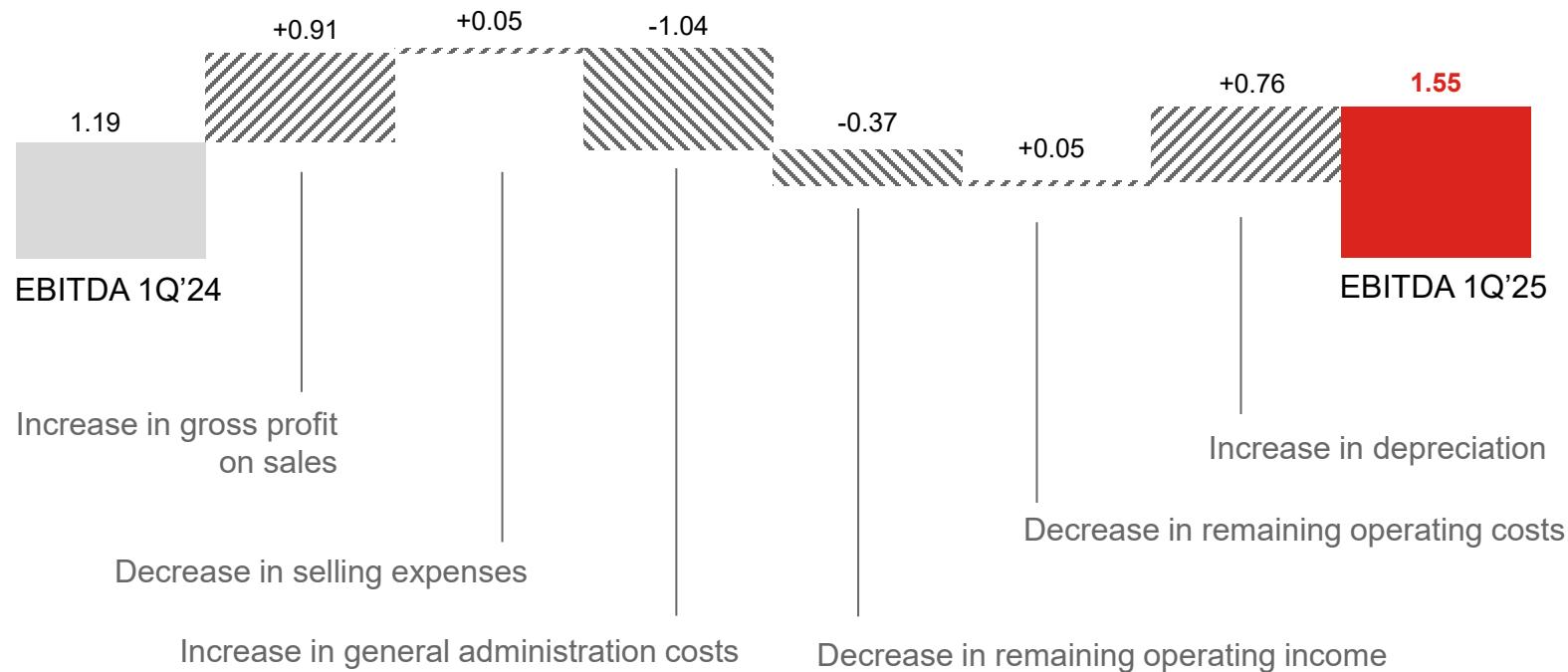
Total assets as of March 31, 2025, amounted to PLN 209.14 mln, representing a 2.5% increase year-over-year and a 0.1% decrease compared to the end of the previous quarter.

Cash and cash equivalents decreased by 14.1% over the past year.

Long-term interest-bearing loans and borrowings increased by 239.9% due to a change in the loan repayment schedule and its reclassification from short-term to long-term liabilities (+48.5%).

Factors influencing the results Q1'25

EBITDA



Financial results Q1'25



Cash flows and ratios

PLN mln	1Q'25		1Q'24	1Q'25	y/y
Cash assets at beginning of the period	10.84	Dług netto / EBITDA	3,71	5.08	+1.37
Operational activity	-8.62	ROE	11.2%	-7.9%	-19.1p.p.
Investment activity	-2.83	ROA	3.9%	-2.5%	-6.4p.p.
Financial activity	+7.71	EV/EBITDA*	6.64	5.07	-1.57
Cash assets at the end of the period	7.10				

Positive net cash flows from financing activities (PLN +7.71 mln) only partially covered the negative cash flows from operating activities (PLN -8.62 mln) and investing activities (PLN -2.83 mln), resulting in a decrease in cash to PLN 7.10 mln at the end of the period.

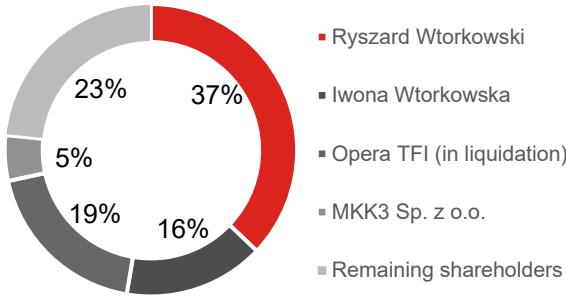
Decline in ROE and ROA ratios to -7.9% and -2.5%, respectively.

* At the end of the period

LUG on the capital market



Share ownership

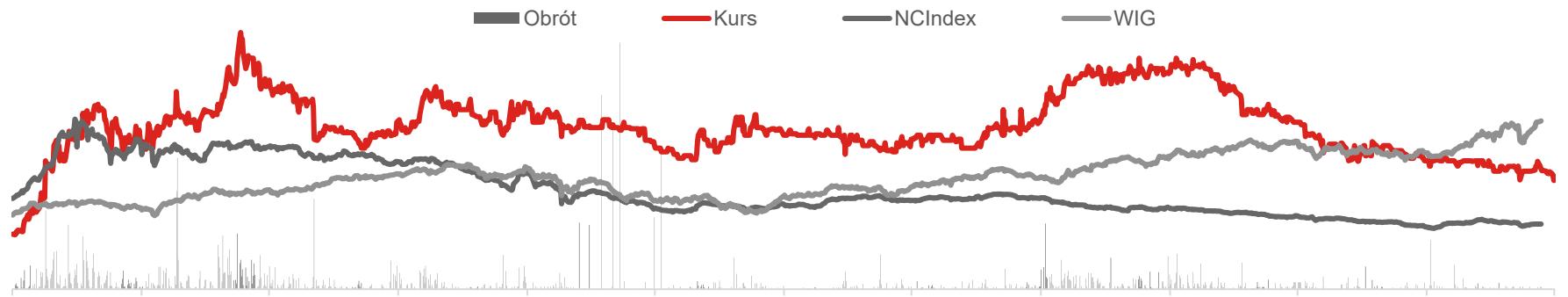


Shares

Total number of shares	7.198.570
Quotation market	NewConnect
Debut data	20.11.2007
Sector	NC Base
Index	NCIndex (share 0.7689%)
ISIN	PLLUG0000010
Ticker	LUG

Ratios

Change 1 year	-40.5%
YTD	-6.0%
EV/EBITDA*	5.07
LUG share price**	PLN 4.40



*at the end of the period

**as of the publication date

Company authorities

THE EXECUTIVE BOARD



Ryszard Wtorkowski
President of the
Executive Board



Mariusz Ejsmont
Vice-President of the
Executive Board,
Technical Director



Małgorzata Konys
Member of the
Executive Board,
Financial Director

THE SUPERVISORY BOARD



Iwona Wtorkowska
President of LUG S.A. Supervisory
Board



Renata Baczańska
Member of LUG S.A. Supervisory
Board



Eryk Wtorkowski
Member of LUG S.A. Supervisory
Board



Zygmunt Ćwik
Member of LUG S.A. Supervisory
Board



Szymon Zioło
Member of LUG S.A. Supervisory
Board

LUG S.A.

parent company



LUG Light Factory Sp. z o.o.

100%

LUG GmbH

100%

LUG do Brasil Ltda.

65%

LUG Lighting UK Ltd.

100%

LUG Argentina SA

50%

BIOT Sp. z o.o.

93%

LUG AYNDINLATMA SİSTEMLERİ
ANONİM SİRKETİ

66,8%

ESCOLIGHT Sp. z o.o.

45%

LUG SERVICES Sp. z o.o.

97%

LUG S.A.

ul. Gorzowska 11
65-127 Zielona Góra
www.lug.com.pl

Investor Relations
relacje@lug.com.pl

