

3Q'25

Quarterly report



Executive summary



Revenue
3Q'25
-41.3% y/y

PLN
35.94
mln

Gross profit
on sales
3Q'25
-44.5% y/y

PLN
13.30
mln

PLN
-7.00
mln

EBITDA
3Q'25
-227% y/y

PLN
-10.35
mln

Net profit*
3Q'25
-2553.8% y/y

- The operating result of the LUG Group in the third quarter of the current year was adversely affected by a temporary decline in demand and the postponement of significant projects. Nevertheless, the company's structural position across approximately 70 markets remains well established.
- The Group's quarterly revenue in Q3'25 decreased to 35.94 million PLN.
- The sales revenue structure was as follows: 42.5% domestic sales and 57.5% export sales.
- The gross margin on sales remained under strong price pressure and amounted to 37.0% in Q3'25.

” *The past quarter marked yet another period in which, despite initial signs of improvement in macroeconomic conditions and numerous market forecasts anticipating dynamic investment growth, no actual improvement materialized. The construction sector and its related industries remained in a state of stagnation. Consequently, we experienced unprecedented postponements in the commencement of lighting investment projects. Rather than passively awaiting an upturn in economic sentiment, we are proactively implementing a recovery program designed to restore the expected profitability. The effects of these measures will be reflected in our margins in 2026. The order portfolio for the upcoming year remains stable and is being consistently developed by our sales teams.*

* for shareholders of a parent company

*Ryszard Wtorkowski,
President of the Board/CEO*

Main events 3Q'25



Key Partnerships and Projects

- **LUG and RELUX Partnership – A Global Design Ecosystem**

LUG has become an official partner of the international RELUX ecosystem, one of the leading design environments in the lighting industry. Through this collaboration, LUG products have been included in the Relux Product Portfolio, enabling designers worldwide to access photometric data for LUG luminaires in ReluxDesktop and ReluxNet. This partnership strengthens the brand's global position and supports the strategy of delivering modern, energy-efficient lighting solutions.



- **LUG Light Factory as Technology Partner for Maas & Hagoort in the Fluvius Contract**

In October, LUG entered into a cooperation agreement with Maas & Hagoort for the implementation of a project to replace 165,000 luminaires for the operator Fluvius. The LUG offer was qualified for all parts of the tender, which included rigorous photometric, structural, and design requirements. On November 6th in Bruges, LUG solutions were presented to representatives of over 150 Belgian municipalities, marking an important step in strengthening the company's position in the European market.



- **Further Projects in the Capital**

LUG Light Factory is carrying out one of the largest park lighting modernization projects in Poland, supplying over 2,600 energy-efficient LED luminaires to Warsaw's parks. The project will achieve annual energy savings of 515,000 kWh and includes smart features such as motion sensors and light color adjustment. This investment supports the city's energy transformation and enhances residents' comfort.

LUG will also supply nearly 600 luminaires for historic shepherd's-crook-style street lamps. The fixtures combine classic design with modern technical standards and the option to install smart controllers. The project confirms LUG's expertise in sustainable urban lighting.



[read more
zdm.waw.pl](https://zdm.waw.pl)



[read more
linkedin.com](https://www.linkedin.com)

Special Award and the Title THE BEST OF THE BEST NEWCONNECT for LUG S.A.

During the Final Gala of The Best Annual Report 2025 competition, held in the Trading Room of the Warsaw Stock Exchange, LUG S.A. received a special award and retained the prestigious title of THE BEST OF THE BEST NEWCONNECT.

This recognition confirms the highest standards of transparency, quality, and responsibility in reporting maintained by the LUG Group.

The LUG S.A. 2024 Annual Report was rated at nearly 90% of the maximum score, placing the company among the leaders in reporting among firms listed on the NewConnect market.



[read more
parkiet.com](https://parkiet.com)

[read more
ri.lug.com.pl](https://ri.lug.com.pl)



Main events 3Q'25



Trade fairs and key events

TEK.day – Gdańsk

The TEK.day trade fair brought together key representatives of the electrotechnical industry, serving as a platform for showcasing modern technologies and exchanging experiences. LUG presented its EMS offering, strengthening its manufacturing position and establishing new business relationships.



Participation in the “About Business Over Coffee” Meeting

The meeting gathered entrepreneurs, local government officials, and academics to discuss innovation, partnerships, and the role of technology in the development of local business. LUG was represented by Vice President Mariusz Ejsmont.



Smart City 2025 Evening – Paris

This event connected experts from Poland and France to discuss the future of smart cities. Paweł Szafranski from LUG presented solutions related to smart lighting and energy management, and the meeting concluded with networking to foster collaboration.



Webinar “About ESG and Decarbonization Without Illusions”

The webinar, featuring LUG experts, focused on practical aspects of ESG reporting and counteracting greenwashing. Monika Bartoszak discussed the creation of ESG reports, while Mariusz Ejsmont presented an example of the modernization of A2 motorway lighting in terms of energy efficiency and CO₂ emission reduction.



read more
[linkedin.com](https://www.linkedin.com)



Main events 3Q'25



Initiatives

Second Edition of the LUG Summer Contest

The second edition of the summer contest was organized, in which employees shared their summer memories, strengthening collaboration and engagement. This initiative supports a positive atmosphere and values aligned with the LUG Group's employer branding.



Winobranie Team Run

On September 6, 2025, the LUG team once again participated in the Winobranie Team Run, one of the region's key sporting events. Participation confirmed the strong spirit of cooperation and engagement within the organization.



International E-Waste Day

For the third time, LUG took part in International E-Waste Day, collecting around 0.5 tons of electronic waste in 2024. The company conducted a two-pronged educational campaign for employees, including communication on sustainable resource management and a contest related to conscious purchasing decisions. This initiative supports LUG's strategy in the area of circular economy and the development of ecological and wellbeing awareness.

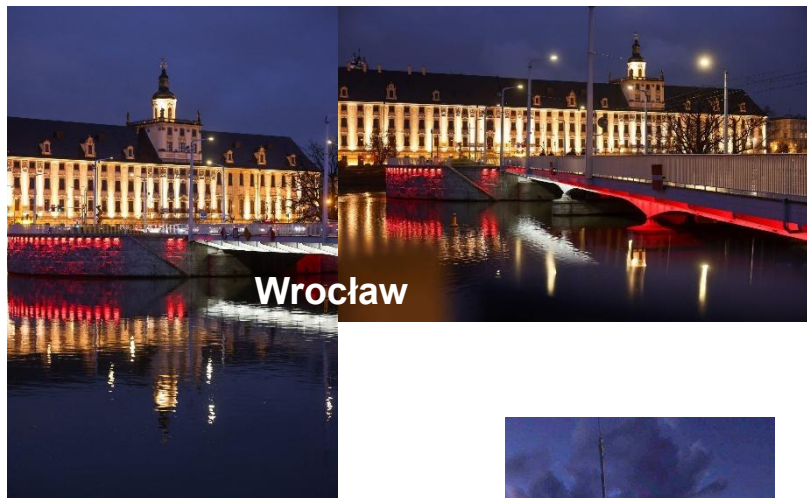


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TOP lighting completions:

Q3'25



Wrocław



Zielona Góra

DOMESTIC

Modernization of lighting with control systems,
Dębe Wielkie Municipality

Construction of football field lighting, Zielona Góra

Illumination of the University Bridges with control systems,
Wrocław

EKSPORT

Campus Ullevål, Oslo, Norway

Comprehensive lighting of the Nexus office building
in Vianen, the Netherlands

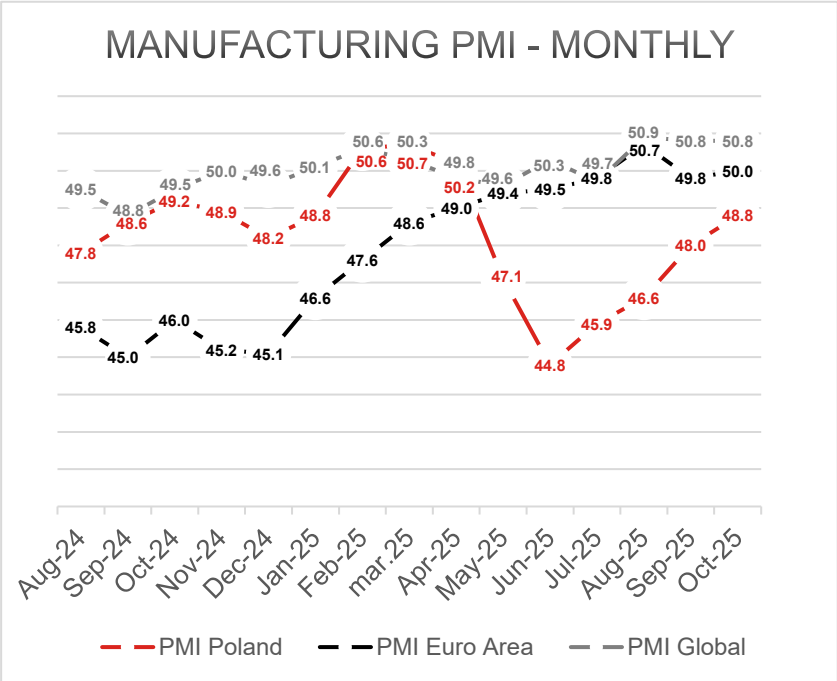
Data Center lighting, Saint-Ghislain, Belgium

LUG'S largest
completions
[read more](#)





S&P Manufacturing PMI Poland



Highlights

In the third quarter of 2025, the Polish manufacturing sector entered a phase of gradual and consistent improvement.

The October PMI stood at 48.8 points - a signal of a slowdown in the decline of production and new orders, as well as improved expectations regarding future activity.

The level of the Polish index was close to the values for the eurozone (50.0 points) and the global PMI (50.8 points), indicating a normalization of conditions in the external environment.

In the eurozone, a recovery in industrial sentiment was observed. HCOB Eurozone Manufacturing PMI: July 49.8 points, August 50.7 points (the first crossing of the expansion threshold since June 2022), September 49.8 points, October 50.0 points.

There is a stabilization of operating conditions in European industry. The revival is driven mainly by domestic demand, with export orders remaining weak and companies maintaining a cautious approach to employment and inventory policies.

The strongest results in the third quarter were recorded in the Netherlands, Greece, Spain, and Ireland; below 50 points - Germany and Austria.

Sources: S&P Global PMI® polski sektor przemysłowy
HCOB Eurozone Manufacturing PMI
J.P. Morgan Global Manufacturing PMI

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.

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.

Forecasts for the global LED lighting market*:



Forecasts for the European LED lighting market**:



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.**

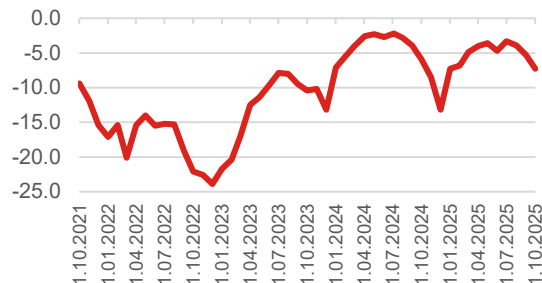
*<https://www.researchandmarkets.com/report/led-lighting#tag-pos-1>

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

Current market conditions for the third 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-August 2024 – January-August 2025**

+3.6%

The average GUS index for the construction sector in the quarter under review was close to the second quarter (approximately 4.1), with the October reading deviating from previous results (-7.3).*

The growth rate of lighting fixture prices in the first eight months of the year was +3.6% year-on-year.**

A continued standstill in EU co-financed investments remains a limiting factor for the construction sector, postponing recovery to the following year.

Preliminary GUS data for Q3'25: prices of sold industrial production were about 1.2% lower year-on-year and showed a slight month-on-month decline.***

After a weak first half of the year, further declines were observed in construction, particularly in the non-residential segment (down nearly 11% in the third quarter). Increases were recorded only in transport and communication buildings as well as agricultural facilities. Other categories - from hotels to office, warehouse, public, and commercial buildings - remained negative.****

IPAG forecasts for 2025 - 2026: value added in industry +2.4% and +3.1%; sold production +2.5% and +3.8%. Forecasts for construction: in 2025, value added -0.2%, sold production -0.9%; in 2026, a return to positive dynamics - respectively +3.3% and +5.0%.****

Sources:

*Wybrane miesięczne wskaźniki makroekonomiczne, GUS, 13.11.2025

**Ceny robót budowlano-montażowych obiektów budowlanych 8/2025, GUS

***Wskaźniki cen produkcji sprzedanej przemysłu w July, August and September 2025 r., GUS

****Rynek budowlany w Polsce, November 2025, SPECTIS

*****Stan i prognoza koniunktury gospodarczej nr 128 (November 2025 r.), IPAG

Mission:

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

Strategic objectives 2023-2026



Strategic measures of LUG S.A. until 2026

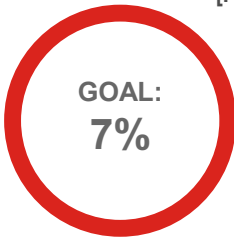
Geographical structure of sales revenue [%]



*As of the end of 3Q'25

2023
2026

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



*As of the end of 3Q'25

Financial results Q3'25



Profit & Loss

PLN mln	3Q'24	3Q'25	y/y
Sales revenues	61.21	35.94	-41.3%
Gross profit on sales	23.97	13.30	-44.5%
Gross margin on sales	39.2%	37.0%	-2.15 p.p.
EBITDA	5.51	-7.0	-227.0%
EBITDA profitability	9.0%	-19.5%	-28.48 p.p.
Profit on operating activity	2.45	-9.34	-481.2%
Operational profitability	4.0%	-26.0%	-29.99 p.p.
Net profit*	-0.39	-10.35	-2553.8%
Net profitability*	-0.6%	-28.8%	-28.16 p.p.

* for shareholders of a parent company

A decline in revenues was caused by unfavorable macroeconomic conditions, closely linked to low investment activity in Europe and a significant scale of project implementation phase shifts from 2025 to 2026.

The 44.5% decrease in gross profit on sales was associated with margin compression resulting from weak investment activity and intense competition for a limited pool of projects.

EBITDA for Q3'25 was 227% lower year-on-year, amounting to -7.0 million PLN. The decline in EBITDA was mainly due to a decrease in gross profit on sales, an increase in general administrative expenses, a reduction in other operating income and amortization, as well as an increase in other operating costs. These factors were only partially offset by a reduction in selling expenses by 1.35 million PLN.

The operating margin increased quarter-on-quarter by 29.99 percentage points to -19.5%.

Net result attributable to equity holders of the parent company in Q3'25 amounted to -10.35 million PLN, with a net margin of -28.8%.

Financial results Q3'25



Balance sheet

PLN mln	30.09.2024	30.09.2025	y/y
Total assets	214.03	183.27	-14.4%
Tangible fixed assets and assets related to the right of use	49.84	46.89	-5.9%
Intangible assets	25.49	27.64	+8.4%
Current assets	134.07	104.32	-22.2%
Inventory	69.01	56.43	-18.2%
Cash and cash equivalents	6.42	1.49	-76.8%
Equity	68.98	53.86	-21.9%
Long-term liabilities	10.93	17.05	+56.0%
Long-term loans and credits	3.85	12.13	+215.1%
Short-term liabilities	134.12	112.36	-16.2%
Short-term loans and credits	61.58	50.96	-17.2%

The balance sheet total as of September 30, 2025, amounted to PLN 183.27 million, representing a decrease of 14.4% year-on-year and 11.0% quarter-on-quarter.

Inventory reduction (-4.0% quarter-on-quarter and -18.2% year-on-year) resulted from the adjustment of warehouse structure to actual market needs and the sale of goods from inventory.

Cash and cash equivalents at the end of Q3'25 stood at PLN 1.49 million, down 76.8% year-on-year and 48.1% quarter-on-quarter.

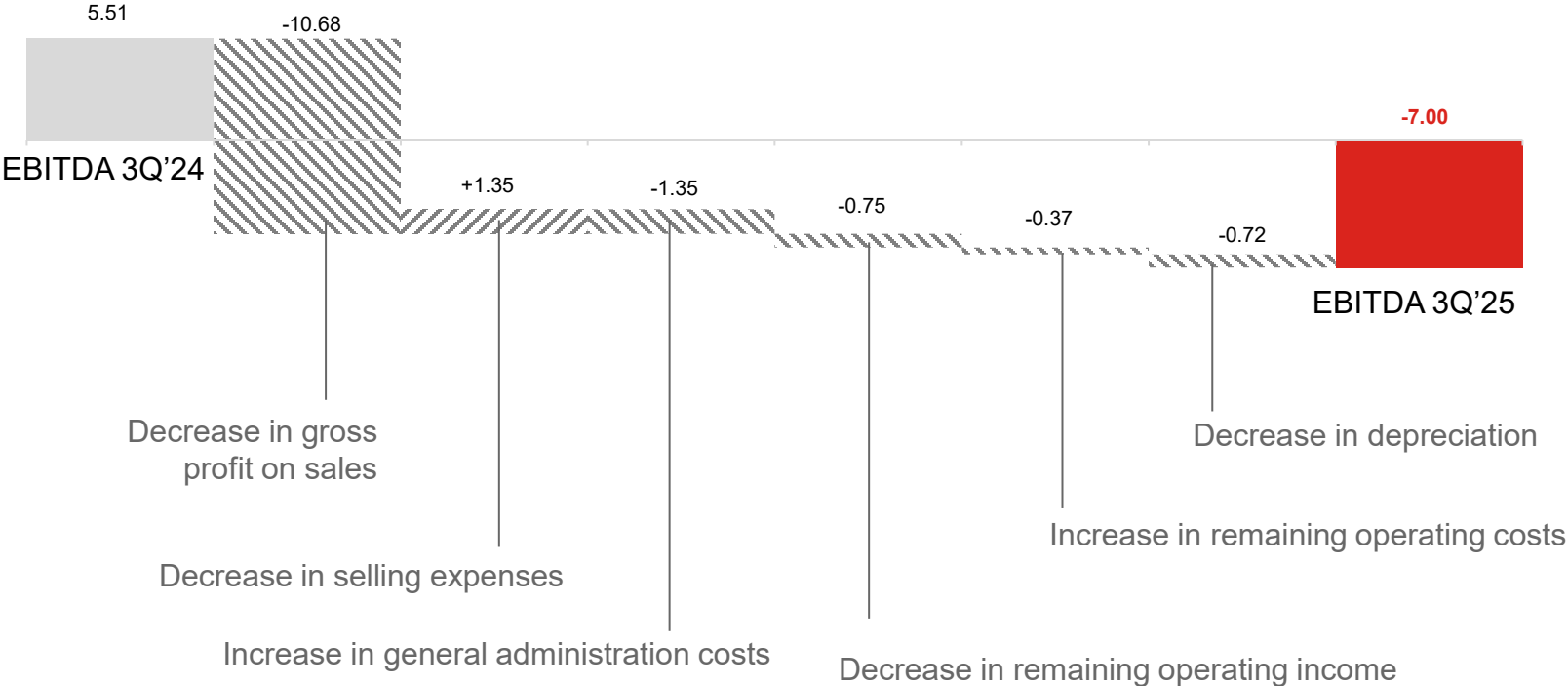
Equity amounted to PLN 53.86 million, lower by 16.1% quarter-on-quarter and 21.9% year-on-year, as a result of the net loss.

Over the year, the value of interest-bearing loans and borrowings increased - to PLN 12.13 million at the end of Q3'25 compared to PLN 3.85 million at the end of Q3'24 - due to a change in repayment terms and the reclassification of liabilities from short-term to long-term; in aggregate terms, the LUG Group's debt was lower by PLN 2.34 million.

Factors influencing the results 3Q'25



EBITDA



Financial results Q3'25



Cash flows and ratios

	PLN mln	3Q'25
Cash assets at beginning of the period		2.88
Operational activity		+3.04
Investment activity		-1.12
Financial activity		-3.28
Cash assets at the end of the period		1.51

	3Q'24	3Q'25	y/y
Net debt/ EBITDA	5.54	25.55	+20.01
ROE	3.0%	-27.16%	-30.16p.p.
ROA	0.97%	-7.98%	-8.95p.p.
EV/EBITDA*	8.32	33.03	+24.70

In Q3'25, positive operating cash flows amounted to PLN 3.04 million, compared to PLN 1.98 million a year earlier, driven by a reduction in receivables with a limited impact from liabilities.

Negative investing (PLN -1.12 million) and financing cash flows (PLN -3.28 million) resulted in a decrease in cash and cash equivalents to PLN 1.51 million from PLN 2.88 million, a reduction of PLN 1.37 million compared to PLN 4.65 million a year earlier.

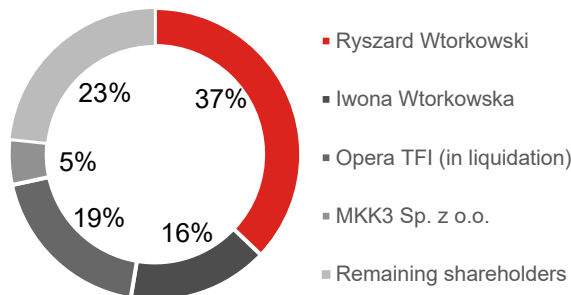
ROE and ROA ratios declined to -27.16% and -7.98%, respectively.

* At the end of the period

LUG on the capital market



Share ownership

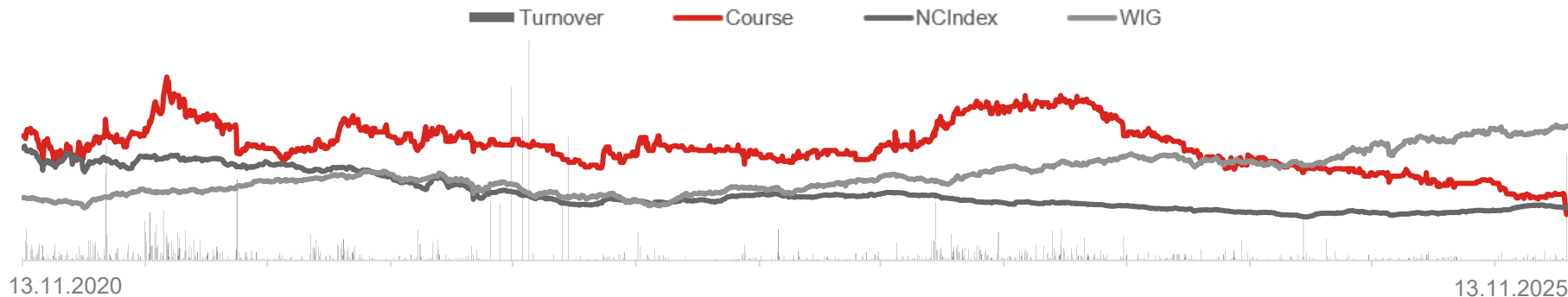


Shares

	7.198.570
Quotation market	NewConnect
Debut data	20.11.2007.
Sector	NC Focus
Index	NCIndex (share 0.5021%)
ISIN	PLLUG0000010
Ticker	LUG

Ratios

Change 1 year	-51.9%
YTD	-48%
EV/EBITDA*	33.03
LUG share price**	PLN 2.60



*at the end of the period

**as of November 13th, 2025

Company authorities

LUG S.A.
parent company



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 Ziolo
Member of LUG S.A. Supervisory
Board

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 SISTEMLERI ANONIM SIRKETI	66,8%
ESCOLIGHT Sp. z o.o.	45%
LUG SERVICES Sp. z o.o.	97%

LUG S.A.

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