

Flügger Group

H. C. Andersen Capital | Update Q1 2023/24



Flügger

Flügger at a glance

Key L12M figures Q1 2023/2024

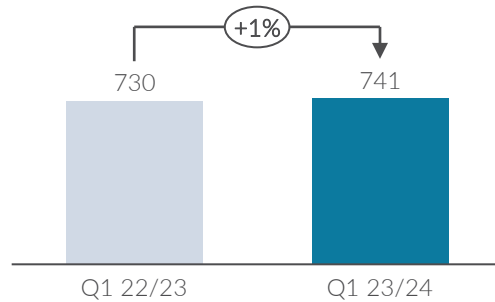
Revenue mDKK	EBIT mDKK
2.561	61
Full-time employees	Markets
2.247	17
No. factories	No. stores
12	346

Flügger's business model



Q1 23/24 highlights – Revenue and EBIT expectations reached despite currency headwind and challenged markets

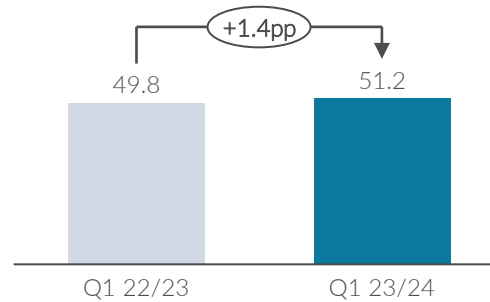
Revenue (mDKK)



Sales overall at a satisfactory level

- Historically high Q1 sales and organic growth of 10%
- Unfavorable currency development of -9% across main markets

Gross margin (%)

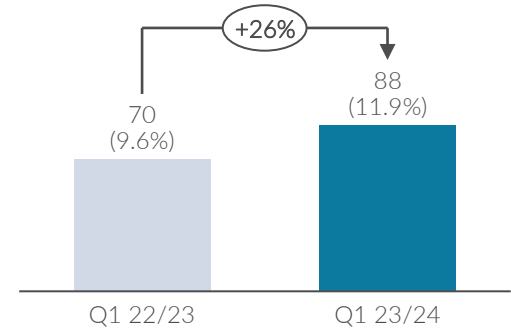


Gross margin slowly normalizes

- Gross margin is positively affected by a slight downward trend in raw materials, energy, and transportation cost
- Combined with the implemented price increases the overall gross margin moved towards a more normalized level

EBIT (mDKK)

(% margin)

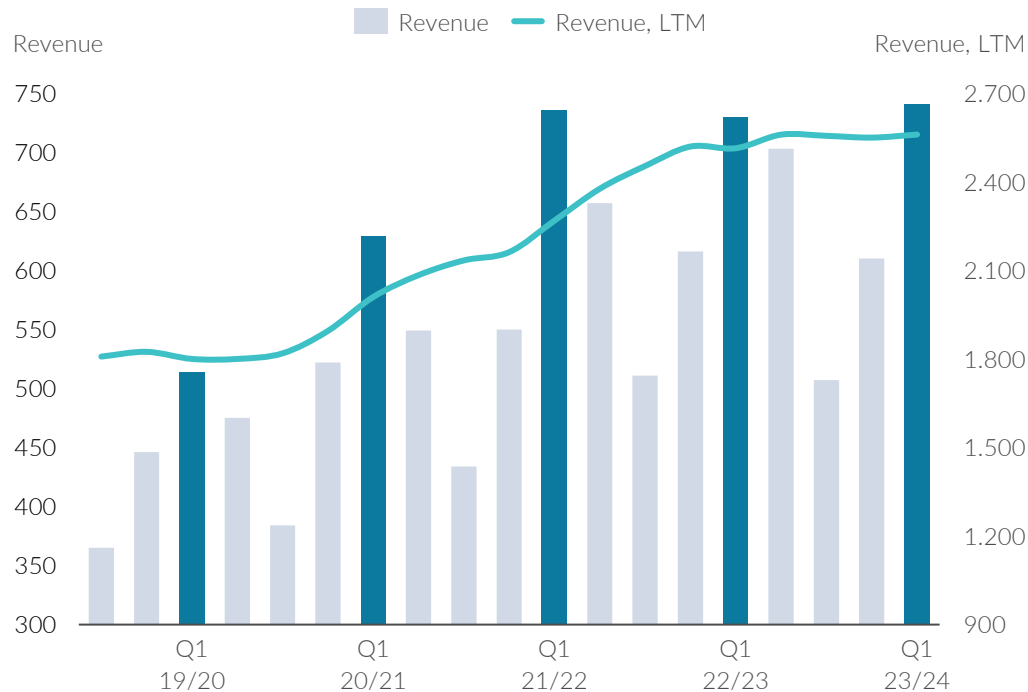


Improvement in main segments

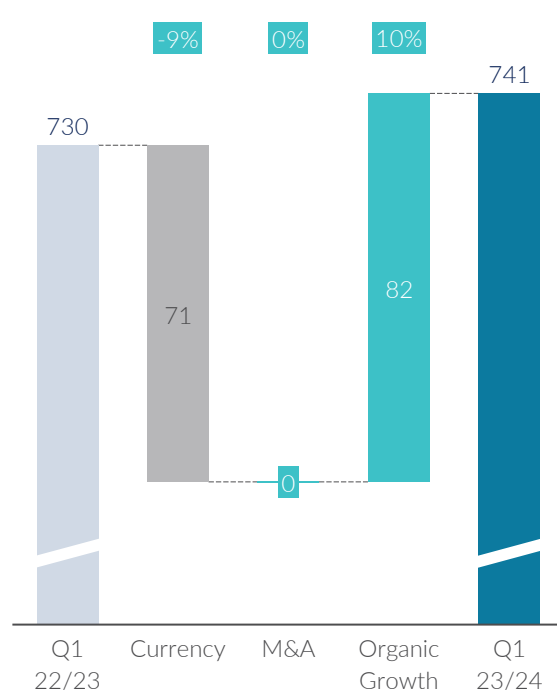
- Improvement in EBIT is driven by segments 1 and 2
- Segment 3 Eskaro declined slightly QoQ

Revenue increased +1% compared to last year driven by price increases, but higher underlying organic growth offset by negative currency effect

Revenue development (mDKK)

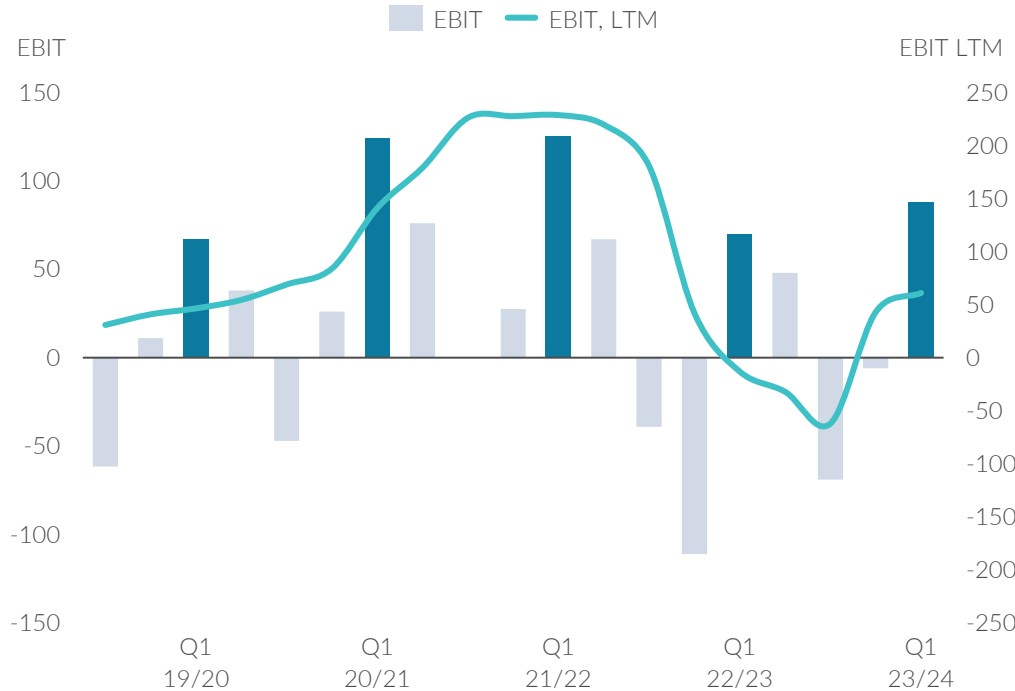


Revenue effects (mDKK)

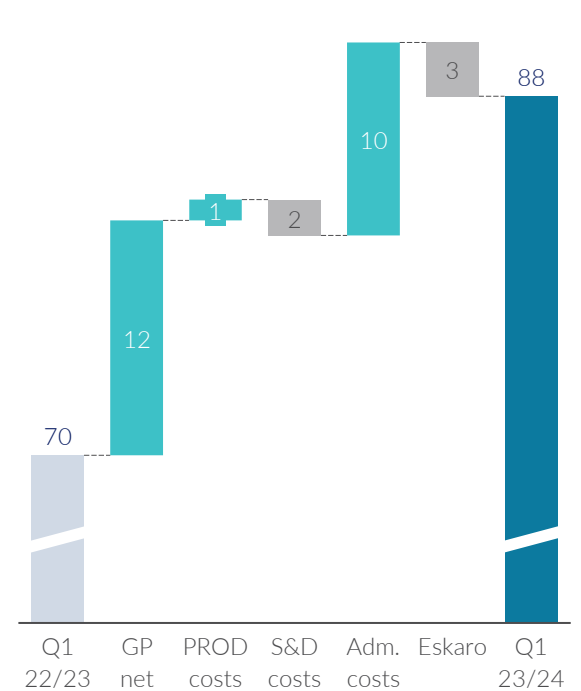


Improvement in EBIT and in line with expectations, however still affected by difficult market conditions, unfavorable customer mix and higher cost levels

EBIT development (mDKK)

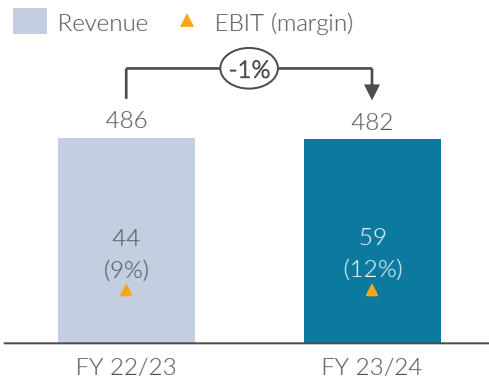


EBIT effects (mDKK)



Q1 23/24 segments – Segment 1 & 2 delivered growth in earnings, while segment 3 was heavily affected by the drop in exchange rates

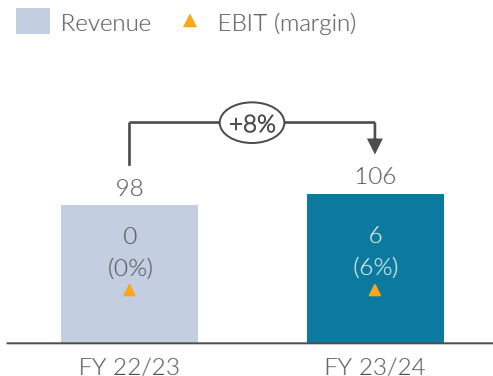
Segment 1 (mDKK)



Steady sales and cost discipline

- Organic growth of 3% across markets, was offset by negative currency of -4%.
- EBIT improved as a combination of price increases, slightly declining raw material prices, and previous cost initiatives

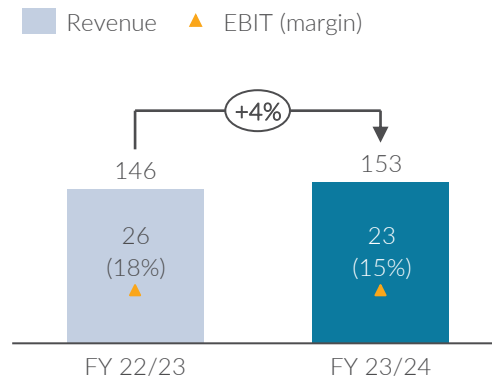
Segment 2 (mDKK)



Organic growth

- 8% organic growth (neutral currency)
- Price increases positively impact now and in future periods
- Earnings improvement from lower raw material and transportation costs

Segment 3 (mDKK)



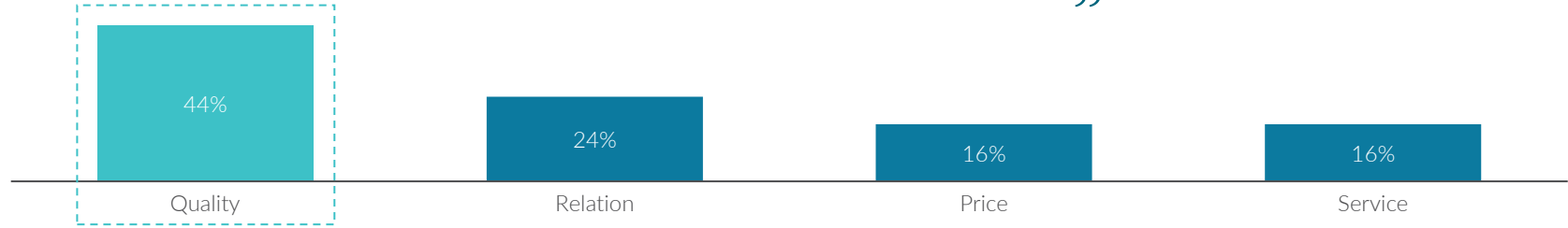
Ukraine in improvement

- Organic growth of 34% driven by Ukraine, partly offset by negative currency of -30% for Eskaro Group
- Drop in earnings is a result of the comparison year with fewer competitors in local markets and favorable currency

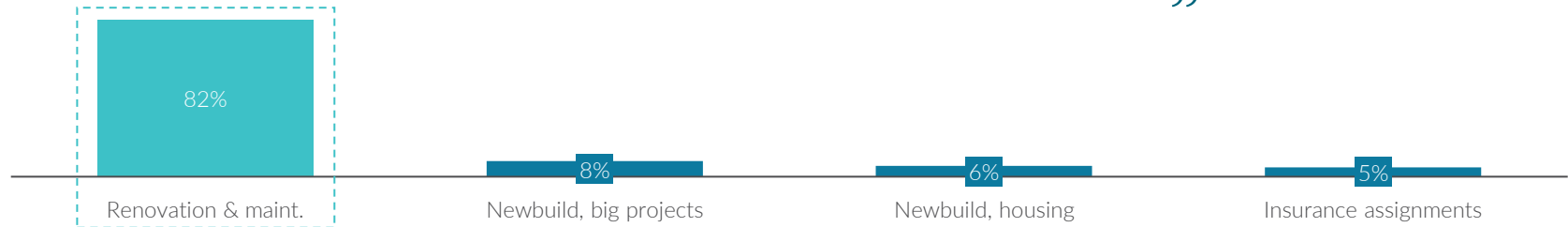
Q1 2023/24 business highlight – Customers in focus

Customers prefer quality and expect renovation work to dominate the market; fits well with Flügger proposition

“ What do you rank highest selecting paint supplier? ”



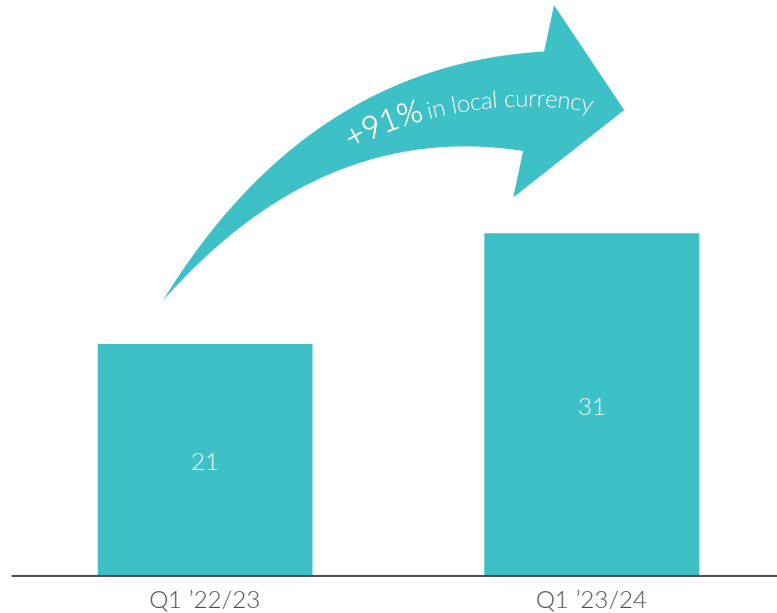
“ What type of jobs do you expect to earn your money on in the future ”



Q1 2023/24 business highlight – Ukraine is improving

Increased quality in Flügger Segment 3, as Ukraine is regaining momentum and comprises larger share of the segment

Revenue inkl. FX effects (mDKK)

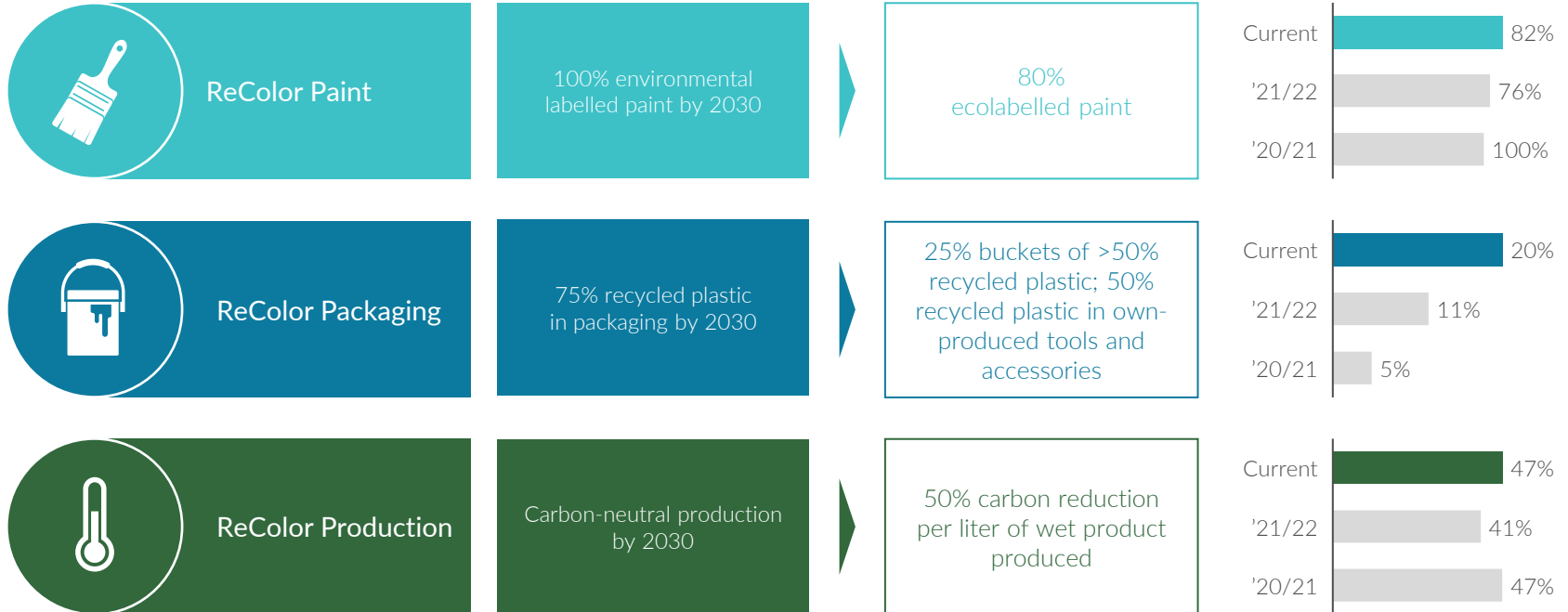


Going green strategy – selected CSR targets and status

Going Green sustainability focus areas and key selected targets

Selected target '23/24

Current achievement

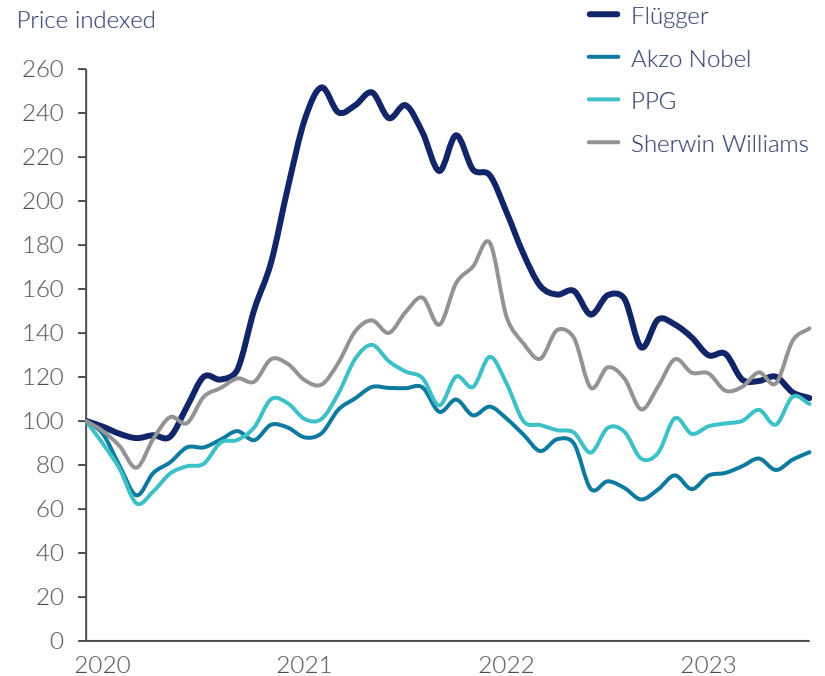


Share price development

Flügger's share price development



Flügger's relative share price development (indexed)



2023/24 Outlook & Financial guidance

2023/24 Outlook and priorities

- The outlook for the future is cautiously optimistic with expectations of continued normalizing cost levels

2023/24 priorities

- 1 Developing new products and services
- 2 Value creation with sustainability and quality
- 3 Setting the right market prices
- 4 Further reduction of debt and NWC level

Financial guidance 2023/24

Guidance maintained

Revenue

2,500m – 2,700m

EBIT

60m – 120m



Thank you for listening

Flügger

Please contact IR@flugger.com for any further questions or visit flugger.com/investor