

An aerial photograph of a coastline, likely in the North Sea region, showing a mix of blue water, white sandy beaches, and yellow-green land. The image is used as a background for the report cover.

Flügger

Summary of Annual
Report 2022/23



This is an English summary of the consolidated annual report, and parts of the consolidated report have been intentionally omitted. In case of any matter of dispute or other divergences between the Danish and English text, the Danish text will prevail.

Guidance statements

Statements concerning the Group's future financial performance are necessarily subject to uncertainties and risks that may cause actual performance to differ from the expected future development.

General meeting

The company's annual general meeting is held on Thursday, 16 August 2023 in Copenhagen.

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Dear shareholders

A year marked by uncertainty, high energy prices – and a stronger customer focus

The troubled times of 2021/22 continued into 2022/23. The start of the year was marked by massive price increases, especially for raw materials, transport and energy, as well as a noticeable consumer slowdown combined with generally unfortunate customer mix dynamics. Overall, this put the bottom line under pressure from the start. The pressure continued throughout the year, and whereas the top line increased from DKK 2,520 million to DKK 2,550 million, the operating profit of DKK 43 million was below our expectations for the year.

Throughout the year, our response to the challenges has been to focus on ways of empowering our customers. We want to help them and thus ourselves to navigate as best we can in a market that is being hit by falling demand and a general slowdown in construction.

The result of all our hard work is reflected in our market share. Even though the bottom line is disappointing, we were able to increase Flügger's market share in the Nordic region. We will continue this approach in 2023/24.

Sharp fluctuations in raw material and energy prices

At the start of the year, prices, especially of raw materials, were soaring as a result of Russia's invasion of Ukraine. After an autumn of high prices and great uncertainty about the future, energy prices stabilised over the winter.

Energy prices have since fallen back, while prices for raw materials and transport are still significantly higher than last year and not fully passed on to sales prices.

The war in Ukraine

Russia's invasion of and continued aggression in Ukraine is an ongoing source of uncertainty, especially in segment 3. We want to divest our Russian and Belarusian activities, but it is uncertain when this will be possible.

We expect the war to continue to have an impact on Flügger's business in the coming year – directly on segment 3, but also on segments 1 and 2, as we saw in 2022/23.

More colourful and green initiatives

On the bright side, the start of the year also brought some colourful celebrations to the heart of Copenhagen – in 2022, Flügger was one of the main sponsors of Copenhagen Pride. Meanwhile, we became the first corporate member of the NGO called Paint It Forward, in which we are also by far the largest donor of paint.

The paint itself also became greener this year. Now, 82% of our wet products carry the Nordic Swan Ecolabel and/or the EU Ecolabel. We implemented FSC-labelled brushes too, and launched four product series that make it easier for private and professional painters alike to choose more eco-friendly products for their painting projects.

Towards a new strategy for Flügger

Our current strategy from 2020, Going Green, ends in 2024. That is why in the year to come we will devote time and resources to a strategy process to establish which benchmarks will come next and will matter the most.

We expect sustainability and good corporate governance to be integral parts of the upcoming strategy.

Thank you to our employees, customers and shareholders

Finally, we would like to thank Flügger's customers, employees, partners, suppliers and shareholders for their cooperation throughout the year. It has been a year like no other, requiring dedicated efforts by all.

Our colleagues in Flügger worked hard to deliver top-quality products and services that meet our customers' expectations and needs. We are deeply grateful for their unfailing engagement and their tireless determination to strive for the best outcome for customers in everything they do.

We also thank our customers for trusting Flügger and our products. Their support and feedback has been invaluable. We look forward to continuing to meet their expectations and create value in the coming years.

Finally, a word of thanks to Flügger's shareholders. It is your belief in Flügger that allows us to grow, innovate and achieve our goals in a market where we must see opportunities rather than limitations.



Sune Dedenroth Schnack
Chief Executive Officer



Peter Korsholm
Chairman of the Board

“Flügger is the supplier for the painting profession, delivering a mix of reliability and quality. We provide professional guidance and the same, consistent quality every time. We work hard to help our customers achieve a great result with the smallest number of work steps and good durability.”

A portrait of a man with short, dark hair and a light beard, wearing a dark blue suit jacket over a dark blue t-shirt. He is looking directly at the camera with a slight smile. The background is dark and out of focus.

Flügger

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Key figures 2022/23

Financial year 2022/23 = 1 May 2022 – 30 April 2023

Revenue

DKK million

2,550

▲ +1%



Gross profit/loss

DKK million

1,191

▼ -6%



EBIT

DKK million

43

▲ +4%



Net profit/loss after tax and minority interests

DKK million

-4

▼ -154%



Net profit/loss per share after tax and minority interests

DKK

-1

▼ -153%



ROCE

2.6%



Flügger 10-year development

DKK million	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Income statement										
Revenue	1,924	1,833	1,850	1,849	1,818	1,824	1,895	2,162	2,520	2,550
Gross profit/loss	1,036	1,015	998	1,025	1,011	992	998	1,215	1,268	1,191
EBITDA	152	122	82	119	119	88	212	368	301	207
EBIT	88	65	21	44	58	41	83	228	41	43
Net financial items	-2	1	2	-2	-1	1	-7	-8	-14	-33
Profit/loss before tax	87	66	23	41	56	41	76	220	27	11
Net profit/loss for the year	76	54	13	29	33	32	60	180	-8	14
Net profit/loss for the year after tax and minority interests	76	54	13	29	33	32	58	171	8	-4
Balance sheet										
Balance sheet total, year-end	1,183	1,250	1,243	1,189	1,139	1,095	1,691	1,842	2,226	2,132
Equity, year-end	838	859	811	797	760	742	787	951	919	774
Net interest-bearing debt (-)/cash and cash equivalents (+)	78	55	28	124	154	145	-301	-245	-758	-789
Net interest-bearing debt excl. leases (-)/cash and cash equivalents (+)	78	55	28	124	154	145	105	141	-367	-449
Working capital	296	322	324	270	255	281	217	236	442	490
Cash flows										
Cash flows before financing and tax	183	78	74	172	107	59	287	337	150	127
Cash flows from operating activities	172	85	67	158	96	51	272	313	80	84
Cash used in investing activities	-44	-67	-41	-24	-21	-15	-159	-165	-265	-84
Cash used in financing activities	-108	-12	-12	-97	-54	-34	-126	-129	60	-18
Investments in property, plant and equipment	19	40	39	22	17	16	59	121	186	72
Financial ratios*										
Gross margin, %	53.8	55.4	53.9	55.4	55.6	54.4	52.7	56.2	50.3	46.7
EBITDA margin, %	7.9	6.7	4.4	6.4	6.6	4.8	11.2	17.0	11.2	8.1
EBIT margin, %	4.6	3.5	1.1	2.4	3.2	2.2	4.4	10.6	1.6	1.7
Return on equity, %	9.1	6.3	1.6	3.6	4.3	4.3	7.6	20.7	-0.9	1.7
Equity ratio, %	70.8	68.7	65.2	67.1	66.7	67.8	46.5	51.1	41.3	36.3
ROCE, %	11.6	8.1	2.7	6.5	9.5	6.8	7.6	20.7	2.6	2.6
Full-time employees, average	1,572	1,575	1,550	1,533	1,486	1,481	1,624	1,527	2,410	2,234

Share ratios, see p. 17

* Financial ratios are calculated according to the recommendations of CFA Society Denmark

Definitions

Gross margin, %

Gross profit as a percentage of revenue

EBITDA margin, %

Operating profit before depreciation, amortisation and writedowns as a percentage of revenue

Net interest-bearing debt

Interest-bearing debt less securities and cash and cash equivalents.

EBIT margin, %

Operating profit as a percentage of revenue

Return on equity, %

Profit/loss from ordinary activities after tax as a percentage of average equity

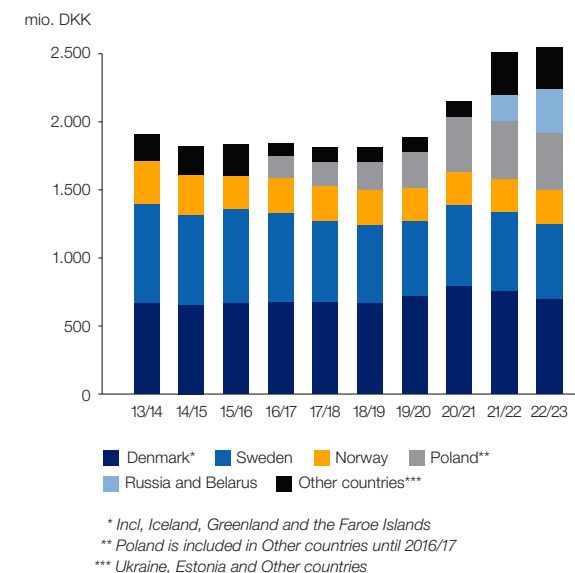
Equity ratio, %

Equity at year-end as a percentage of liabilities at year-end

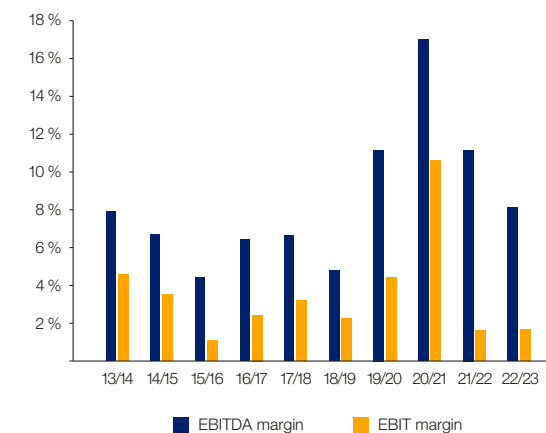
ROCE, %

EBIT as a percentage of net working capital plus net non-current assets

Revenue by markets



Earnings



Highlights 2022/23

- Revenue was DKK 2,550 million, compared to DKK 2,520 million the year before, corresponding to an increase of 1%. Revenue was positively impacted by increases in sales prices, but negatively impacted by lower volumes. According to market data, total sales volume for the industry in the Nordic region fell by just over 9% in 2022 and is back to pre-COVID-19 levels.
- It is estimated that the sales volume, especially to private consumers, is currently below the normal level, as many spent their time painting during the COVID-19 lockdowns. Volume is likely to return to normal levels within the coming year.
- The volume of sales to professional customers was also lower in 2022/23, impacted by the general slowdown in construction. The smaller professional customers experienced the sharpest slowdown, negatively affecting the customer mix.
- Flügger's earnings in Western European markets were hit hard by the slowdown in volume combined with extraordinarily high prices for raw materials, energy and transport. Prices for raw materials, energy and transport seemed to peak in November 2022, and have fallen slightly since. The downward trend for raw materials etc., combined with increases in sales prices and a return to normal of sales to private consumers, will strengthen margins for some time to come.
- The Eastern European markets were affected by the war in Ukraine, but earnings increased during the financial year due to currency movements and price increases.
- Revenue in segment 1, which mainly covers Flügger's core business, decreased by 3% during the period, primarily impacted by currency movements and declining volume, especially in the private consumer segment as it returned to normal levels after high sales during COVID-19. Sales to professional customers were up in Norway, Sweden and Poland, but down in Denmark.
- For segment 2, which includes private label sales to builders' merchants, revenue decreased by 7%. This segment was also affected by currency movements and declining volumes to private consumers.
- For segment 3, which includes Eskaro in Eastern Europe, revenue increased by 31%, of which 16% was due to foreign exchange and 15% to organic growth driven by price increases. Demand for locally produced goods was strong in Russia and Belarus. Conversely, in Ukraine sales fell by 30% compared to last year, which had already been affected by the war in the later months.
- The EBIT level for the 2022/23 financial year was DKK 43 million compared to DKK 41 million for the prior-year period, although that year had been affected by writedowns of DKK 132 million due to the war in Ukraine.
- In segment 1, earnings decreased from DKK 159 million to DKK -13 million. The disappointing result was affected by declining sales to private consumers combined with exceptionally high raw material prices, energy costs and transport costs which could not be fully passed on to sales prices.
- Similarly, earnings in segment 2 decreased from DKK 14 million to DKK -9 million, driven by the same factors as for segment 1.
- Earnings in segment 3 were DKK 65 million against DKK -132 million last year. Last year, the result had been affected by writedowns of DKK 132 million due to the war in Ukraine. The results for the current year were positively affected by stronger currencies and higher sales prices in Russia and Belarus.

Guidance for 2023/24

Guidance for revenue: DKK 2,500-2,700 million

In the coming financial year, the Nordic and Polish markets are expected to be characterized by a continued slowdown in activity. Price increases, increasing export sales in segment 1 and new customers in segment 2 are expected to compensate for the decrease in volume. In the Eastern European markets, there is great uncertainty about future activity and price levels, and currency movements are expected to have a major impact on revenue.

Guidance for operating profit (EBIT): DKK 60-120 million

Earnings for the coming financial year are expected to improve compared to the 2022/23 financial year. The gross margin is expected to slowly return to historical levels as raw material and energy costs fall and sales price increases are applied.



Flügger

Loving Brown
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Financial review 2022/23

The financial year was characterized by sharp increases in the prices of raw materials, energy and transport. In the 2021/22 annual report, Russia and Belarus were classified as discontinuing operations. However, in the first quarter of 2022/23, the activities in Russia and Belarus were reclassified as continuing operations. Because, at the time the activities could not be disposed of due to the sanctions against Russia. Comparative figures were restated to reflect the status of the activities as continuing operations.

The plan is still to divest the activities, but they remain classified as continuing operations, as there is considerable uncertainty as to whether divestment is possible.

Follow-up on published outlook for the 2022/23 financial year

Russia and Belarus were omitted from the original outlook for the financial year due to the expected divestment of the activities. There was a lot of uncertainty about segment 3 due to the war in Ukraine. At the time of the publication of the interim financial report for Q1 2022/23 in August, Russia and Belarus were consolidated back into the financial statements, as it had not been possible to divest these activities in the short term. As a consequence, the outlook was updated.

Follow-up on published outlook for the 2022/23 financial year

DKK million	Original expectations		Update	Downward adjustment	Realised
	Segments 1 & 2	Segment 3	9 Aug 2022	11 Nov 2022	2022/23
Revenue	2,200 - 2,400	-	2,500 - 2,700	2,500 - 2,700	2,550
EBIT	80 - 130	+/- 10	100 - 150	50 - 80	43

Sales development

Revenue amounted to DKK 2,550 million, equal to growth of 1%. Revenue was marked by rising sales prices and declining volumes.

Sales – Denmark, incl. Iceland, Greenland and the Faroe Islands: DKK 695 million (-8%)

Sales declined by 8% during the year, driven by lower sales volumes across all customer groups. According to market data, sales volumes in Denmark fell by around 11% in the year just ended, while Flügger's sales volumes fell slightly more.

The Flügger network of stores in Denmark consists of 62 own stores and 58 franchise stores. Flügger is the market leader with a market share of almost 30%.

Sales – Sweden: DKK 558 million (-5%) – local currency SEK 814 million (+1%)

Like in Denmark, revenue in Sweden was affected by a return to normal of sales to consumers, while sales to professionals moved in a positive direction. The year was also affected by the falling Swedish currency. The market volume in Sweden generally decreased by around 9%, with Flügger's sales volumes only falling by around 2%.

Flügger is one of the leading brands on the Swedish market and has a market share of just under 20%. Flügger has 68 own stores and 39 franchise stores.

Sales – Norway: DKK 244 million (+1%) – local currency NOK 344 million (+5%)

Like Sweden and Denmark, Norway saw declining sales to consumers relative to last year. On the other hand, sales to professional painters increased as a number of new large customers were added during the year. The market volume in Norway decreased by approximately 6% in the year just ended, while Flügger's sales volume increased by 12% in the same period.

Stores in Norway include 31 own stores and 13 franchise stores. The Norwegian market is dominated by Jotun, a local company which has a market share of more than 70%, compared to Flügger with a market share of just under 20%.

Sales – Poland: DKK 418 million (-1%) – local currency PLN 264 million (+1%)

The Group had another good year in Poland with revenue growth of 1% in local currency. There is no market data on sales volumes in Poland, but in general, the market volume is assumed to have decreased significantly in the year just ended. Activities in Poland consist of 57 own Flügger stores with a growth rate of 4% in local currency (segment 1) and Unicell International with a growth rate of -3% in local currency. Unicell sells products to builders' merchants and forms part of segment 2.

**Sales – Russia and Belarus:
DKK 329 million (+70%) – in local currencies (+32%)**

Sales in Russia and Belarus are to builders' merchants, and the products come from 3 local factories that produce for the local markets. Sales growth was driven by price increases and exchange rate effects, with volumes remaining fairly stable.

**Sales – Ukraine, Estonia and Other countries:
DKK 306 million (-5%)**

Sales to other countries cover subsidiaries in Ukraine, China, Lithuania, Latvia, Estonia and Finland, and also a number of export countries such as France, Germany, Czech Republic etc. Flügger is seeing continued growth in the export markets, whereas sales in Ukraine declined as a natural consequence of the war.

Sales development

DKK million	2021/22	2022/23	Organic growth**	Currency	Total growth
Sales – Denmark*	754	695	-8%	0%	-8%
Sales – Sweden	586	558	1%	-6%	-5%
Sales – Norway	242	244	5%	-4%	1%
Sales – Poland	421	418	1%	-2%	-1%
Sales – Russia	143	256	35%	45%	80%
Sales – Ukraine	121	80	-21%	-10%	-31%
Sale – Belarus	52	73	26%	14%	40%
Sales – Estonia	42	41	-2%	0%	-2%
Sales – Other countries	159	185	16%	0%	16%
Total revenue	2,520	2,550	1%	0%	1%

* Incl. Iceland, Greenland and the Faroe Islands

** Organic growth is calculated as the development in revenue, adjusted for the effect of foreign currency and company acquisitions/divestments

Cost and profit development

Cost development was generally affected by sharp increases in raw material prices and by rising transport and energy costs. It was not possible to fully pass on the price increases to sales prices in segments 1 and 2, but for segment 3 price increases were successfully introduced.

In 2022/23, production costs amounted to DKK 1,359 million, 9% up compared to last year. Revenue only increased by 1% in the same period. The poor performance partly reflects the fact that sales prices could not be increased in line with rising costs, but is also due to lower sales to private consumers, which normally generate higher margins. The Group's gross profit decreased by DKK 77 million to DKK 1,191 million.

Sales and distribution costs increased from DKK 897 million to DKK 942 million in 2022/23, representing a 5% increase. The development was affected by higher distribution and energy costs, while other costs stayed stable despite inflation.

Administrative expenses were similarly flat compared to last year, only affected by rising energy costs.

Cost development

DKK million	21/22	22/23	Change
Production costs	-1,252	-1,359	9%
Gross profit/loss	1,268	1,191	-6%
Sales and distribution costs	-897	-942	5%
Administrative expenses	-208	-214	3%
Other income/costs	11	4	-62%
Operating profit before writedowns, EBIT	173	39	-78%
Writedown Eskaro	-132	4	103%
Operating profit, EBIT	41	43	4%

Other income/expenses decreased from DKK +11 million the year before to DKK +4 million in 2022/23. Last year had been positively affected by the sale of land.

Group EBIT was DKK 39 million before writedowns compared to DKK 173 million the year before, when writedowns of DKK 132 million were made due to the war in Ukraine. EBIT amounted to DKK 43 million after writedowns compared to DKK 41 million the year before.

Net financial items were DKK -33 million against DKK -14 million last year. The development was affected by increased interest charges and foreign exchange adjustments as well as increased borrowing as a result of acquisitions and investments in factories. In addition, financial items include interest calculated in accordance with IFRS 16 Leases.

Tax on profit for the year amounted to income of DKK 4 million compared with a cost of DKK 35 million the year before. This year, the tax item was particularly affected by a few countries generating tax losses, while in other countries unused tax losses carried forward were used to reduce the taxable income.

Balance sheet

The consolidated balance sheet total amounted to DKK 2,132 million at the end of the 2022/23 financial year, against DKK 2,226 million the year before. The decline is mainly due to inventories and non-current assets, with new investments being held back, combined with the conversion effect from falling currencies.

The working capital of DKK 470 million was DKK 48 million higher than last year, driven by an increased need for prepayments to suppliers in Russia, Belarus and Ukraine due to uncertainty from the war.

On the liabilities side, equity decreased by DKK 164 million to DKK 742 million before deduction of minority interests of DKK 31 million.

Net interest-bearing debt was DKK 789 million against DKK 758 million last year.

Cash flows

Cash from operations was DKK 84 million against DKK 80 million last year. Cash flow was affected by a disappointing profit and relatively high working capital.

Cash flow for investing activities amounted to DKK 84 million against DKK 265 million last year. Last year had been affected by high investment activity linked to a new filler factory in Sweden as well as an expansion of capacity and automation of the paint factory in Kolding. These factory projects were completed in 2022/23, and investment levels are considered to have normalised in 2022/23.

Cash flow from financing activities was affected by repayments on loans from related parties and new bank debt. In addition, the Group sold own shares to the Chairman of the Board of Directors for DKK 23 million, and the effect of dividend payments was DKK 30 million.

Cash and cash equivalents amounted to DKK 18 million against DKK 35 million last year.

Events since the end of the financial year


No events have occurred since the end of the financial year which materially affect the contents of this annual report.

Balance sheet

DKK million	21/22	22/23	Change
Intangible assets	253	241	-5%
Property, plant and equipment	982	913	-7%
Deferred tax asset	14	40	192%
Inventories	503	468	-7%
Receivables	439	452	3%
Securities, cash and cash equivalents	35	18	-50%
Total assets	2,226	2,132	-4%
Equity	919	774	-7%
Deferred tax	24	29	23%
Lease liability	391	339	-13%
Bank debt etc.	402	467	16%
Suppliers	283	253	-11%
Income tax	23	21	-8%
Other payables	184	167	-9%
Liability, put option	-	82	100%
Total liabilities	2,226	2,132	-4%

Cash flow statement

DKK million	21/22	22/23	Change
Cash from operations	80	84	5%
Cash from investing activities	-265	-84	-67%
Cash from financing activities	60	-18	-130%
Cash and cash equivalents, year-end	35	18	-50%



Flügger

Adventurous Beige
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Quarterly analysis – Q4 2022/23

A seasonal business

Flügger's business is seasonal and also characterised by large fluctuations in customer intake and variation in which products attract the most interest. Flügger has a non-calendar financial year, and Q1 – May, June and July – is characterised by customer demand for outdoor products, in particular.

Q1 is normally the most profitable quarter of the year due to a better customer and product mix. In Q2 – August, September and October – demand decreases, which is weather-dependent.

Q3 – November, December and January – represents the off-season and is normally a loss-making period. During COVID-19 in 2020/21, Flügger posted a positive EBIT in Q3 for the first time.

Q4 – February, March and April – is highly dependent on the weather, not least during Easter week. This is most often a profitable period based on sales of both indoor and outdoor products.

Inventories are typically highest in early May and lowest in early September. Correspondingly, liquidity is highest in September and lowest in May.

Q4 2022/23

Sales development

Consolidated revenue of DKK 610 million in Q4 was on a par with the revenue of DKK 616 million posted for the prior-year period.

Revenue in Denmark fell by 11%, with sales to professional painters especially slowing down. In local currency, revenue in Sweden was up 1% compared to the prior-year period, while revenue in Norway increased by 7%. Both countries were affected by lower sales to consumers, which were compensated for by higher sales to the professional segment.

Sales in Poland increased by 1% measured in local currency based on a positive development for both consumers and professionals.

Sales to other countries grew in Q4 2022/23, driven in particular by Ukraine, which was almost at a standstill a year earlier. Russia and Belarus also continued to perform well.

Development in profit

Consolidated gross profit decreased by DKK 11 million in Q4, with negative effects from lower sales to consumers and higher raw material, transport and energy prices.

EBIT amounted to DKK -6 million in Q4 against DKK -111 million in Q4 last year, which had been negatively impacted by write-downs of DKK 132 million.

Group, DKK million	2021/22				2022/23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	736	657	511	616	730	703	507	610
Gross profit/loss	405	339	222	291	363	338	210	280
EBITDA	162	107	-1	14	110	89	-24	32
EBIT	124	67	-39	-111	70	48	-69	-6
Profit/loss before tax	117	63	-47	-106	87	38	-89	-25
Profit/loss after tax	93	48	-39	-110	77	35	-72	-26
Equity	1,055	1,080	1,019	919	986	978	878	774
Year-end exchange rate, SEK 100	73	75	71	72	72	68	66	66
Year-end exchange rate, NOK 100	71	76	74	76	75	72	68	63
Year-end exchange rate, ISK 100	5	5	5	5	5	5	5	5
Year-end exchange rate, PLN 100	163	161	162	159	157	158	158	163
Year-end exchange rate, CNY 100	97	100	105	107	108	103	102	98
Year-end exchange rate, EUR 100	744	744	744	744	744	744	744	745
Year-end exchange rate, UAH 100	23	24	23	24	20	20	19	18
Year-end exchange rate, BYN 100	250	263	256	267	279	303	258	232
Year-end exchange rate, RUB 100	9	9	9	10	12	12	10	8



Flügger

Trapholt Blue
IN932



Malene Landgreen - FLOW OF CHANGE, Flügger x Trapholt

The Flügger share

Why is Flügger listed?

Flügger is a family-based company whose class B shares were listed on the NASDAQ Copenhagen A/S exchange in autumn 1983 at a price of DKK 875 per share (DKK 52 per share adjusted for bonus shares and share splits). The company's class A shares are not listed on the stock exchange, but are owned by the founding family.

The primary reason for the listing was to give the company, which has substantial domestic market sales, the attention and PR value that a listed company receives. A secondary motive was to make it possible for family members who were not active in the company to sell their shares.

The company's ambition is to remain a listed company, as this is regarded as contributing to marketing, to professional leadership and to making the company a credible and attractive workplace.

Purchase of own shares

The company has previously used surplus liquidity to purchase its own shares, but in recent years it has refrained from making further share purchases, as the liquidity in the Flügger share has been low.

Dividend policy

The company's policy has been to distribute a relatively high dividend seen in relation to the market price and market rate, with due consideration being given to the company's capital structure.

For the 2022/23 financial year, the Board of Directors recommends to the general meeting that a dividend of DKK 5 per share of DKK 20 be distributed.

Share capital and ownership structure

Composition of share capital – 30 April 2023

No. of shares	Shares	%	Votes	%
Class A shares	590,625	19.7	5,906,250	71.0
Class B shares	2,405,855	80.2	2,405,855	28.9
Class B shares in the company ¹	3,520	0.1	3,520	0.1
Total	3,000,000	100.0	8,315,625	100.0

Ownership structure – 30 April 2023

Major shareholders (≥5%)	Shares	%	Votes	%
Susan Schnack	150,069	5.0	150,069	1.8
M+ II A/S ²	845,745	28.2	845,745	10.2
Ulf & Sune Schnack ³	1,358,919	45.3	6,674,544	80.2
Total	2,354,733	78.5	7,670,358	92.2

¹ The voting right cannot be exercised for the company's holding of its own shares.

² M+ II A/S owns 845,745 class B shares in Flügger group A/S. Bettina Antitsch Mortensen exercises decisive influence in M+ II A/S.

³ Ulf and Sune Schnack (father and son) together own a total of 1,358,919 Flügger shares, of which 590,625 class A shares and 720,610 class B shares are held by SUS 2013 ApS (Flügger Holding).

At the end of the 2022/23 financial year, 1,938 shareholders were registered by name in the company's register of shareholders. Together they owned 97.4% of the share capital and held 99.1% of the votes.

Communication with investors

The company publishes regular quarterly reports and financial statements for the market containing accounting figures and revised forecasts for the future, where necessary. These can be viewed under Investor at www.flugger.com.

The company seeks to maintain a high and reliable level of information, and is keen to participate in open and active dialogue with investors, analysts and the press. However, the company refrains from giving any detailed interviews or announcements during the last four weeks prior to the publication of financial reports.



DKK million	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Share data, year-end*										
Market price, DKK	340	390	359	372	352	300	290	749	485	364
Number of outstanding shares, 1,000 shares	2,878	2,877	2,877	2,877	2,881	2,887	2,887	2,891	2,943	2,996
Market capitalisation, DKK million	979	1,122	1,033	1,070	1,014	866	836	2,167	1,427	1,092
Equity value, DKK million	838	859	811	797	760	742	754	911	906	742
Net profit/loss after tax and minority interests, DKK million	76	54	13	29	33	32	58	171	8	-4
Proposed dividend per share of DKK 20	13	15	15	15	15	10	10	15	10	5
Net profit/loss after tax and minority interests per share (EPS), DKK	26	19	5	10	12	11	20	59	3	-1
Price/book value (P/BV), DKK	1.2	1.3	1.3	1.3	1.3	1.2	1.1	2.3	1.6	1.4
Price/earnings ratio (P/E), DKK	13	21	78	37	30	27	14	13	191	neg.

Definitions

Outstanding shares

The total number of shares, less the company's own holdings, is used to calculate share data

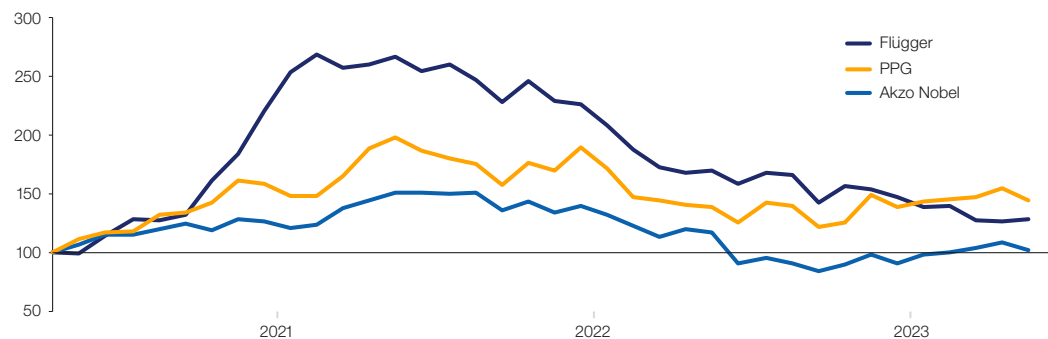
The company's market capitalisation
Number of outstanding shares
(including class A shares) x share price

Net profit/loss after tax and minority
interests per share, DKK
Net profit/loss after tax and minority interests
divided by number of shares outstanding

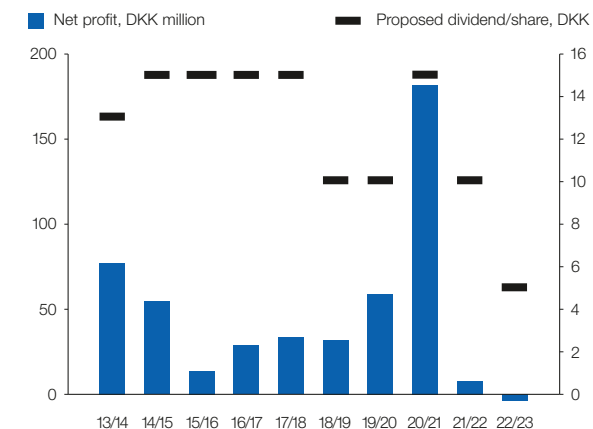
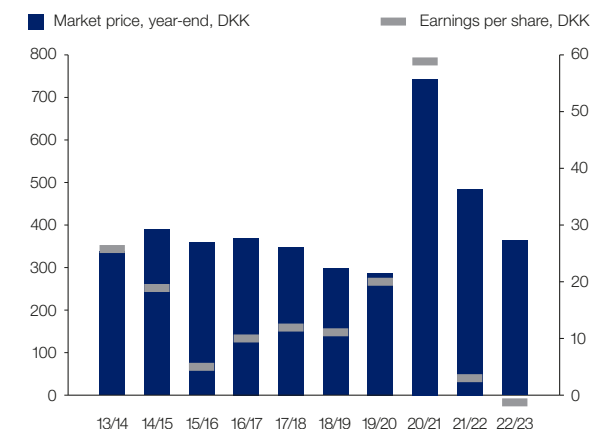
Equity value, DKK
Equity, excl. minorities

* Financial ratios are calculated according to the recommendations of CFA Society Denmark

Flügger share price compared to selected competitors



Source: FactSet



Segments in Flügger

SEGMENT 1

The segment comprises the Group's historical core business, which primarily sells Flügger products and secondarily PP, Stiwex and Fiona. Sales are made through own stores or dealers working closely with the Group.



Measured in local currency, growth was flat in 2022/23, positively impacted by professional painters and negatively impacted by sales to consumers. Denmark saw a decline of 8%, while Sweden and Norway realised 2% and 5% growth respectively measured in local currency, positively driven by sales to professional painters.

Poland achieved 4% growth in local currency driven by all customer categories. Sales in Other countries increased by 2%.

DISTRIBUTION CHANNELS

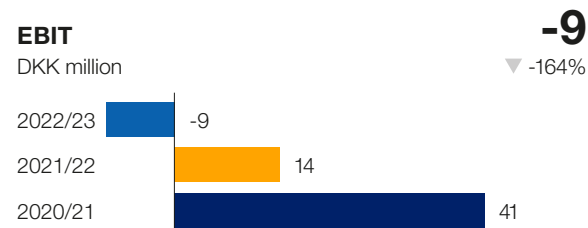
Own stores and franchise stores.

Flügger



SEGMENT 2

In the year just ended, the Group intensified its focus on independent dealers and builders' merchants selling the trademarks Yunik, Primacol, Lux Decor or private label products. Sales are mainly to large customers, characterised by lower gross margins as well as significantly lower distribution costs, as there are no costs for store operations.



The segment experienced -5% growth in local currency, with the Nordic region declining by 6% and other markets declining by 3%. The Danish component was strongly influenced by declining sales by builders' merchants to private consumers.

DISTRIBUTION CHANNELS

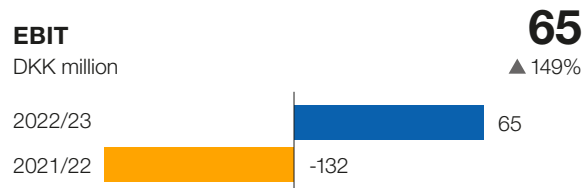
Builders' merchants and dealers.

PRIVATE LABEL



SEGMENT 3

This segment consists of companies in Eskaro Group AB, which was acquired by the Group in May 2021. In the 2022/23 financial year, the segment consisted of companies in Russia, Belarus, Ukraine, Estonia, Latvia and Finland. Eskaro's products consist of a mix of Eskaro's own trademarks as well as private label products. The sales channels vary from country to country, but include sales to builders' merchants and to own stores.



Last year, earnings had been impacted by soaring raw material prices and writedowns of DKK 132 million. In the 2022/23 financial year, we managed to raise sales prices, bringing margins back to normal levels, and local currencies also strengthened during the year.

DISTRIBUTION CHANNELS

Builders' merchants, dealers and own stores.



Flügger

Nostalgic Green 2
FL183



Risks

Flügger is exposed to a number of different risks, which vary according to customer segment, market and product area. The Board of Directors and the Executive Board regularly consider the Group's overall risk profile and significant isolated risks.

The object of the Group's risk management is to identify and assess relevant risks and, if possible, to mitigate them and minimise or control their impacts.

The Board of Directors is responsible for the Group's risk policy and assesses the Group's overall risk profile with the Executive Board on a continuous basis. The Executive Board is responsible for identifying, assessing and quantifying the development of risks and for handling day-to-day risks.

Risk management and reporting

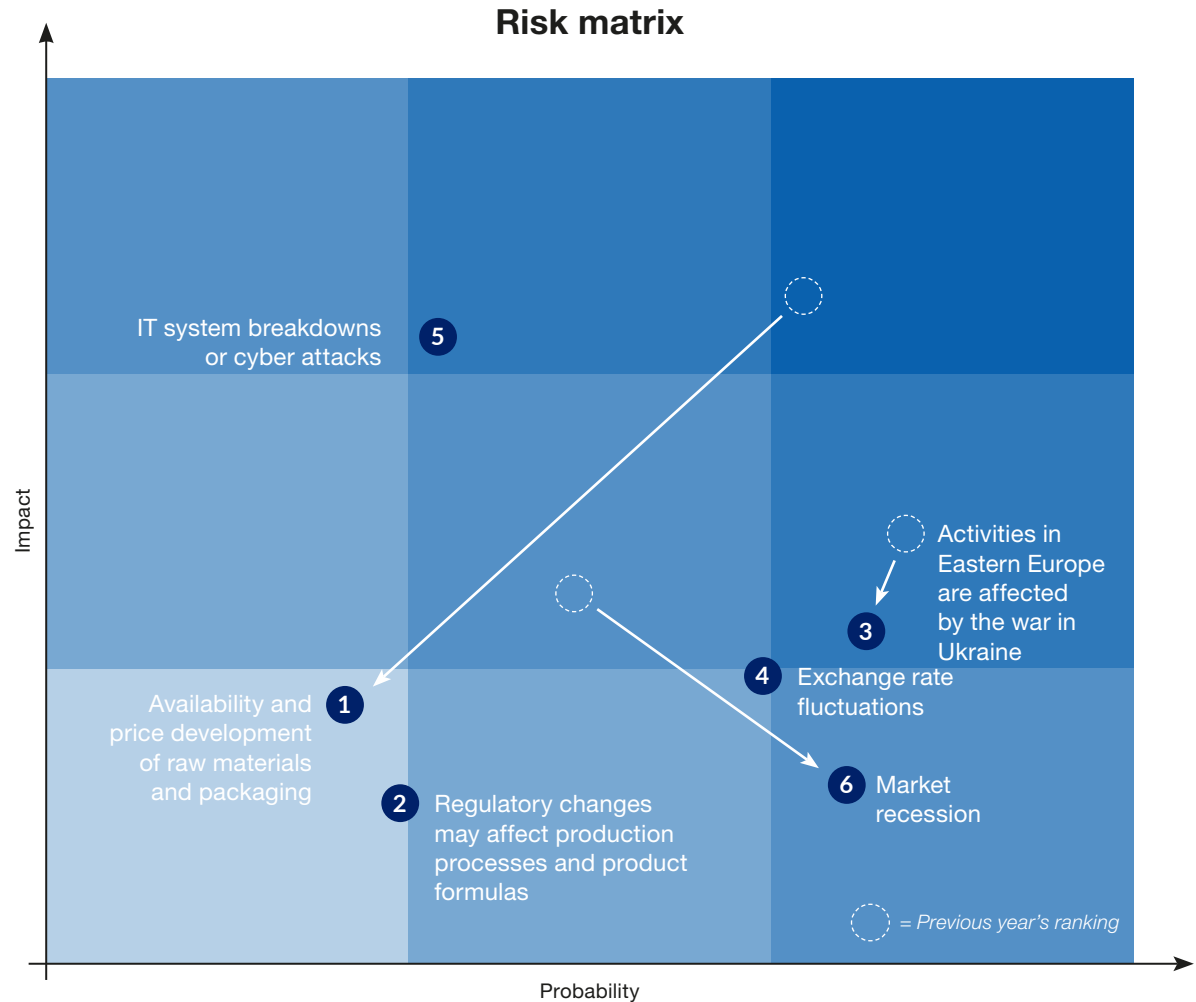
Flügger's risk management model is divided into production, sales and cross-group functions. This ensures that all functions in the organisation focus on identifying and managing relevant risks at all times.

Flügger's risk matrix

Flügger's risks have been entered in the risk matrix based on probability and potential impact on the financial results.

The risk situation essentially presents an improved picture compared to last year. Risk no. 1 "Availability and price development of raw materials and packaging" is down significantly. Last year's raw material price risk unfortunately materialised, but prices are expected to fall back slowly in the coming year. The raw material availability risk was relevant for a time, but in the second half of the 2022/23 financial year, supply chains stabilised.

Risk no. 3 "Activities in Eastern Europe are affected by the war in Ukraine" impacted Flügger both positively and negatively. There is still significant risk here, but we now have more insight into market dynamics.



Risk no. 4 "Exchange rate fluctuations" affected Flügger positively (Russia and Belarus) and negatively (Norway and Sweden). We still see a significant risk of exchange rate fluctuations in the period ahead.

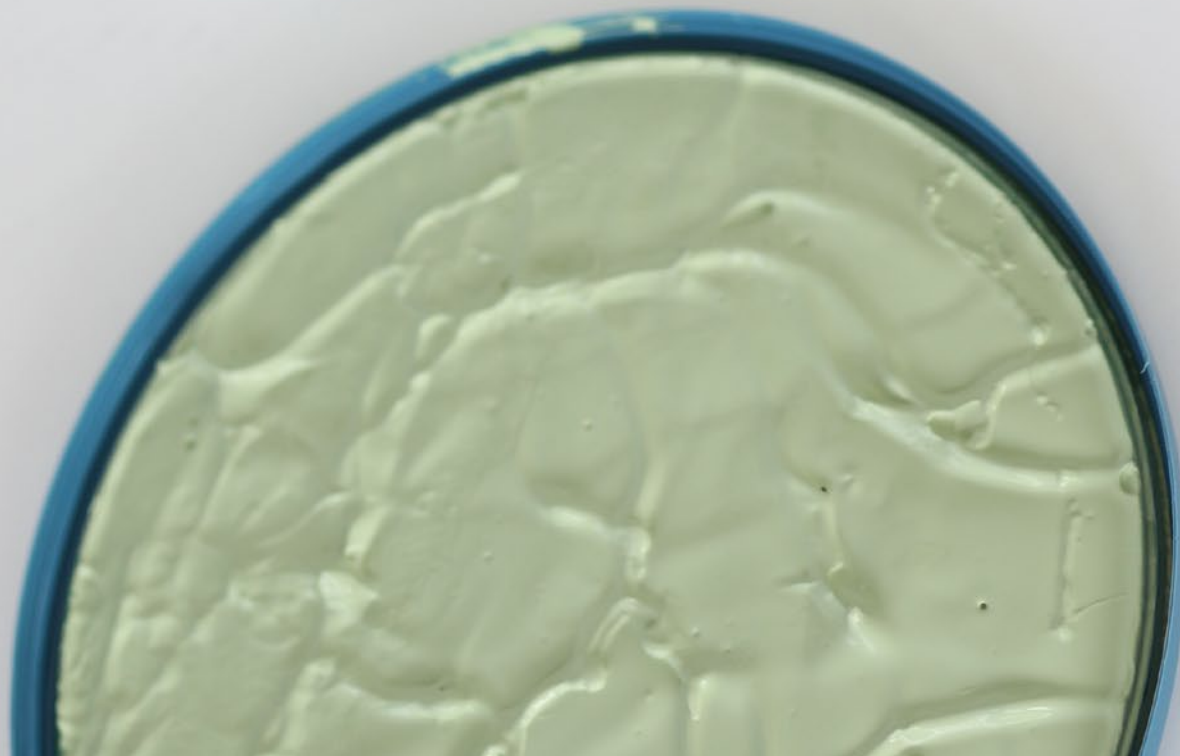
The risk of recession (no. 6) has already materialised and will continue to affect us in the coming year, but it looks like there will be a softer landing compared to the assessment last year.

Other risks remain unchanged, and no risks have been added or removed compared to last year.

RISK	DESCRIPTION	POSSIBLE EFFECT	ACTION
1 Availability and price development of raw materials and packaging	Flügger is dependent on the availability and price development of raw materials. This applies, in particular, to titanium dioxide and binders, which are key ingredients in the production of paints and fillers. Since spring 2020, there has been great uncertainty about the security of supply, first as a result of CO-VID-19 and then because of the war in Ukraine. Raw material prices skyrocketed in the year just ended, although supply stabilised. The risk is considered to be lower for the coming period, as supply is stable and raw material prices are declining.	Rising prices of raw materials are difficult to pass directly on to sales prices in the short term, and the reverse is true when raw material prices fall. A shortage of key raw materials may lead to inexpedient production flow, backorders and lost revenue. Sanctions on Russian gas supplies to the EU may also have a significant impact on several key raw materials.	Flügger has identified alternative suppliers for essential raw materials and has potentially entered into agreements with at least two suppliers to put itself in the best possible position. Also, we monitor raw material prices closely so as to be able to take appropriate action quickly in the event of significant changes. Price developments in the market are closely monitored, and Flügger intends to continue to raise sales prices if this can be done without loss of competitiveness.
2 Regulatory changes may affect production processes and product formulas	Requirements in relation to product contents, carbon footprint, environmental impact and labelling are constantly changing. Therefore, we must always keep one step ahead of new requirements – both as introduced through legislation and in the form of new customer requirements.	Changes to product formulas, labels etc. may affect production costs. If alternative products are not developed in time, there may also be a risk of loss of revenue.	We are continually working to update product formulas and improve production facilities, so they can meet more rigorous future regulatory requirements.
3 Activities in Eastern Europe are affected by the war in Ukraine	War and sanctions have had a major impact on our activities in Eastern Europe. Further escalation/de-escalation of the war in Ukraine will have a significant effect on our ability to do business in these countries.	In early 2022, the Group took a significant writedown on its assets as a result of the war. In the event of escalation, there is a risk that the majority of the assets in segment 3 will be lost. On the other hand, small parts of the writedowns can be reversed if a lasting peace is achieved.	Activities in Ukraine are running at half power. If deemed responsible in terms of security, the factory and sales department will be staffed with a core of employees who will be able to carry on the activities after the war. Work is being done to divest the activities in Russia and Belarus. The transaction is complicated by sanctions, legislation and the current banking situation.
4 Exchange rate fluctuations	Flügger's revenue, earnings and net investments in foreign subsidiaries are constantly affected by exchange rate fluctuations.	Flügger is naturally hedged against exchange rate fluctuations in countries in which we have both sales and production, i.e. the vast majority of our markets. With the acquisition of Eskaro, the Group will become exposed to several currencies, but the effect from individual currencies will conversely be reduced as total revenue increases.	Exchange rate fluctuations can be mitigated through price increases, but they typically take 1-3 months to implement, depending on the customer segment. In some cases, currency exposures are hedged by means of financial contracts if the exposure is regarded as exceeding an acceptable level.
5 IT system breakdowns or cyber attacks	Flügger's operations are dependent on stable IT systems to ensure that production is continuously geared to demand. Downtime may affect the ability to produce, invoice and deliver. The war in Ukraine generally increases the risk of cyber attacks.	Extended downtime for IT systems – whether caused by internal factors or external attacks – may have significant financial consequences.	We continuously ensure resilience of the systems. This includes making sure that there is a solid platform for systems hosted by external partners. We have also taken out basic insurance cover to reduce cyber crime risks. A disaster recovery plan has also been drawn up.
6 Market recession	In the year just ended, activity in the construction sector slowed as a result of rising interest rates and the erosion of purchasing power. We expect this situation to continue for most of 2023 and then improve.	The market recession will obviously affect revenue and earnings, but the extent is difficult to determine. By comparison, Flügger's revenue fell by 6% during the financial crisis, and earnings were halved. However, revenue and earnings were back to normal three years after the start of the downturn.	Our organisation and our investments are continually adjusted to stay one step ahead of any positive or negative development in demand. The painters are often some of the last craftsmen to work on a project, so we usually have time to react if the market starts to fall.



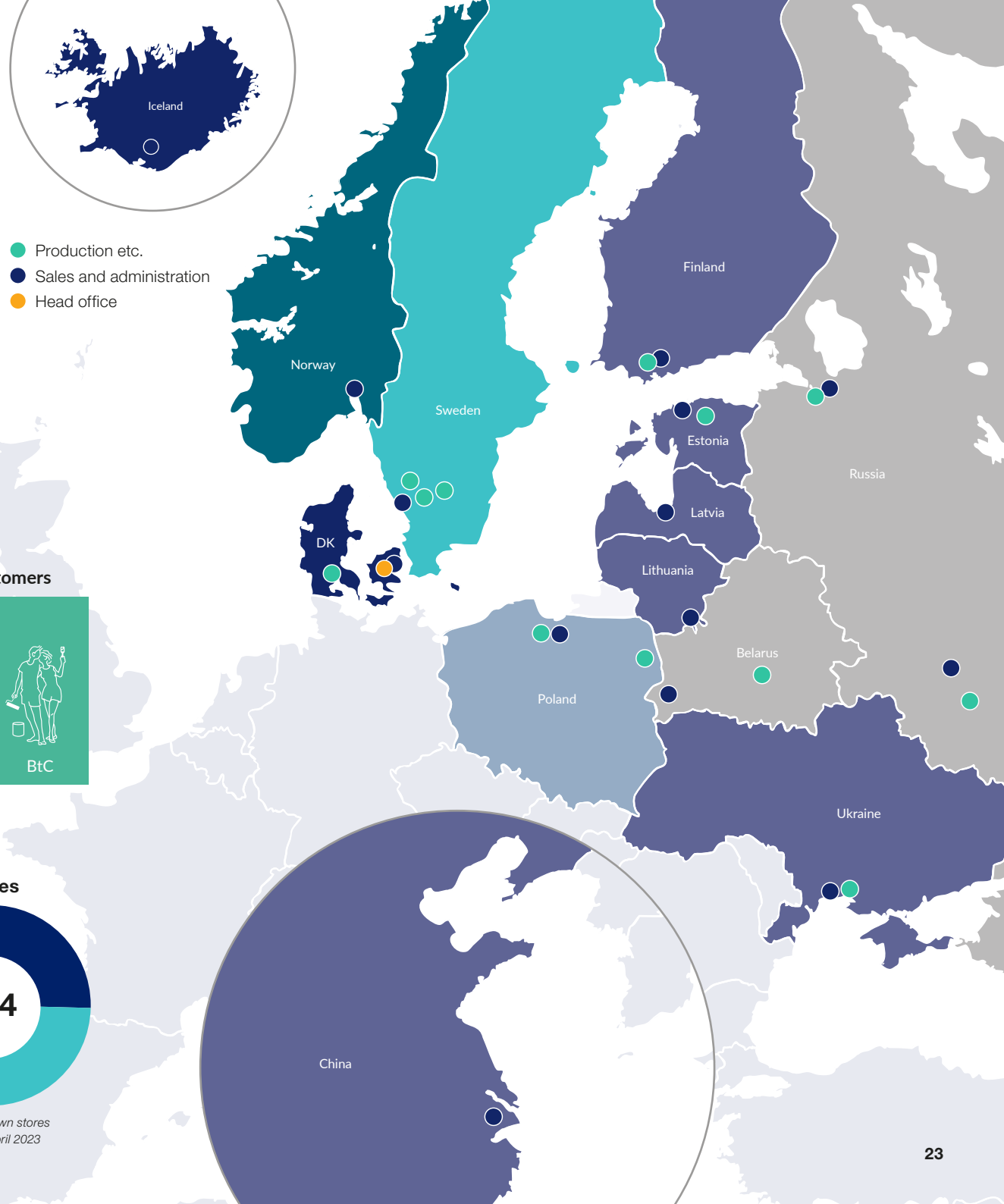
STRATEGY AND CORPORATE SOCIAL RESPONSIBILITY



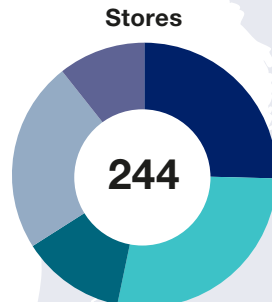
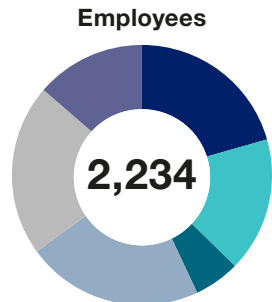
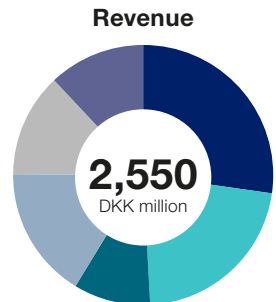
Our business

Flügger is an international group headquartered in Denmark, which develops, produces, markets and sells a wide range of building paints, wood stains, fillers, wallpapers and accessories. Our target groups are professional painters and private consumers. We see it as our key task to develop and deliver products and solutions that enable our customers to deliver high-quality results as efficiently as possible.

We design and improve our products in a central development department, manufacture our products at our own factories and ship them out all the way to the stores, where our employees guide and assist our customers in achieving an optimum result. Our end-to-end value chain is unusual in a European context, where most of our competitors focus on either sales or production. We believe that our business model contributes to our ability to supply high-quality products and services, to meet our customers' requirements and to protect the Flügger brand, which dates right back to 1783.



Geographical overview



Average number of full-time employees as at 30 April 2023

Number of own stores as at 30 April 2023

Flügger

Relaxing Grey
FL102



Going Green: Successful implementation and focus on long-term trends

In recent years, Flügger has executed a large number of strategic initiatives that have had a major impact on the company and resulted in positive changes of fundamental elements of its business.

Flügger has successfully consolidated its production and converted the Group's main factory in Kolding into one of the most modern in the industry. We have constructed a brand-new automated filler factory in Sweden. We have simplified our price structure, optimised our store network, reduced the quantity of item numbers, launched a 100% online product range (Notes®) and generally increased our online presence. We have established a major position in several Eastern European countries through our acquisition of Eskaro. And importantly, every day we are moving Flügger's operations in an even more sustainable direction by thinking green in everything we do.

A solid foundation for changing circumstances

When we were preparing our Going Green strategy for 2020, the COVID-19 pandemic hit the world and changed the lives of consumers and dealers. Revenue reached record levels, and earnings and revised our financial outlook upwards four times in 2020/21.

Based on our growth and acquisitions, especially in Eastern Europe, we estimated that Flügger could grow by DKK 1 billion in three years with earnings of 10%. However, the world was subsequently hit by sharply rising energy and raw material prices and, most recently, the war in Ukraine. Precisely Ukraine and Russia were among the markets for which Flügger had the greatest expectations.

New strategy period from 2024/25

The current strategy runs until the end of the 2023/24 financial year. We are therefore still focusing our efforts on execution of Flügger's current strategy. In 2023, however, we will start working towards a new strategy for the years 2024/25-2026/27, setting the direction for Flügger's development in the coming years. Flügger's future strategy will be new, but will also build on the firm foundations of the Going Green strategy.

This has obviously affected the short-term outlook for Flügger – and many other companies. Following the successful implementation of the strategic initiatives, Flügger is, however, fully geared to seizing any long-term opportunities.

Continuing initiatives and focusing on persistent trends

The six strategic focus areas of the Going Green strategy are still both relevant and applicable, and they provide the framework for the day-to-day development of Flügger. However, the strategic focus area of acquisitions has been affected, as all potential investments in Russia have been dropped and investment opportunities in Ukraine are being cautiously reassessed.

The most important focus areas in the years ahead are digital transformation, where Flügger remains intent on taking the lead, and sustainability in a broad sense. We consider both focus areas to be continuing trends.



Going Green: Our six strategic focus areas

1. VALUE-BASED PRICING STRUCTURE



Fair prices for our solutions

We want to increase our competitiveness through a transparent, fair and simple pricing structure. The pricing structure will be based on customer perceived value. At the same time, we want to increase our earnings by reducing production and procurement costs. This will be achieved by concentrating production at fewer sites, by renegotiating procurement contracts and by optimising a number of product formulas.

HIGHLIGHTS OF 2022/23

- Price developments were closely tracked throughout the year in order to be able to pass the rising raw material prices on to sales prices. This was not possible in the short term
- Purchasing costs were reduced in the order of DKK 37 million through formula optimisation and renegotiation of agreements

FOCUS IN 2023/24

- Adjust pricing in Sweden and Norway in line with falling currencies
- Closely track price developments to ensure margins return to normal after a period of large raw material price increases

2. STORE NETWORK



Top priority to serving our customers

We are constantly updating our store network, including sales via digital platforms, looking for the best ways to meet our customers where they are. We also aim to further develop the strong skills of the staff serving customers in our stores every single day.

HIGHLIGHTS OF 2022/23

- Testing of new store design
- Completed rollout of Colors That Matter
- Established e-commerce sales to consumers in DK, SE, NO and PL
- Strengthened franchise network and organisation

FOCUS IN 2023/24

- Increase training and education of store staff
- Increase share of sales via digital platforms
- Introduce updated store designs with a focus on professional and consumer stores
- Establish new dealer solution in Norway

3. GROWTH



Striking the right balance between organic growth and growth through acquisitions

The past year has been marked by consolidation in the building paints market and a continuing battle for market shares in and outside the Nordic region. Our ambition is to maintain our leading position in the Nordic region and to consolidate and increase our market shares in Eastern and Central Europe. Organic growth is achieved through optimising our product range, constantly increasing the share of eco-friendly products, and investing in production, marketing and digital transformation, among other areas. New potential acquisitions are evaluated on an ongoing basis and may contribute to further boosting non-organic growth if a good match is found. However, the war in Ukraine has currently put a stop to acquisitions in the affected geographies.

HIGHLIGHTS OF 2022/23

- Divestment of wallpaper brand Fiona® to partner TapetTerminalen
- Integration of Lithuanian acquisition
- Merger of Malgodt ApS and PP professional paint A/S with Flügger.
- Handling of the Eskaro Group, which has been seriously affected by the war in Ukraine
- Handling of COVID-19 lockdowns in Shanghai, China, where Flügger has its own stores

FOCUS IN 2023/24

- Continue to stabilise operations and handle markets affected by the war in Ukraine
- Evaluate potential acquisitions
- Divest Russian and Belarusian activities
- Focus on rolling out online concepts for high-end stores in China with a view to resuming activity post-COVID-19

4. PRODUCTION AND DISTRIBUTION



Consolidation of production and distribution

In recent years, Flügger has invested approximately DKK 115 million in a new, modern filler factory in Sweden, which means increased automation and trebled capacity. In parallel, we have invested approx. DKK 130 million in modernising our factory in Kolding, with increased automation and the possibility of producing products that are more eco-friendly. The conversion is also increasing our capacity and delivery flexibility. Going forward, we will update and streamline our logistics solutions through more modern distribution centres and through faster and more eco-friendly transport.

HIGHLIGHTS OF 2022/23

- Fully automated dosing system for powder and filling installed in the Kolding factory
- New filler production facility and capacity increase for tools for Sweden came on stream, including associated administration building, laboratory and raw material warehouse
- The target of 80% ecolabelled wet products in segment 1 was met

FOCUS IN 2023/24

- Optimise flow and storage of goods after changes to factory footprint and return to normal of supply chains
- Phase out own wallpaper production in Gdansk, Poland

5. PRODUCT RANGE AND INVENTORY



Optimising product lines and inventory management

Our customers must be able to get the goods they need, whether they shop in our physical stores or online. We have streamlined our range and are also working to improve our inventory management. We will continue this work in 2023/24.

HIGHLIGHTS OF 2022/23

- Focus was on ensuring availability of raw materials and trade goods
- Phase-in of new and improved tools
- Definition of core range for different store types

FOCUS IN 2023/24

- Start automatic product ordering for stores
- Implement standard range for own stores

6. DIGITALISATION



Closer to our customers and their needs

In the past year, we have focused more on digitalisation as an important prerequisite for developing solutions and services to help our customers make their working day easier and more efficient, as well as to guide and inspire their choice of products.

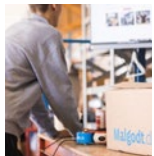
We want increasingly to incorporate digitalisation in all relevant processes. Through value-adding digital tools and services, we will help our professional customers optimise their business, thereby strengthening our relations.

HIGHLIGHTS OF 2022/23

- New digital platform on which our future digital journey will be based.
- Launch of new webshops specially designed for consumers
- New fulfilment system that efficiently handles last-mile shipments
- Automation of customer service and digital marketing
- Integration of key resources from Malgødt.dk

FOCUS IN 2023/24

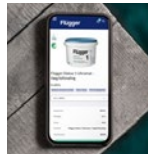
- Continue development of our B2C webshops
- Develop last-mile fulfilment solution for B2B customers
- Expand our colour universe online



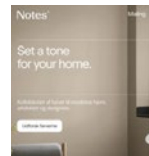
June 2021
Acquisition of Malgodt.dk



May 2022
Launch of online brand Notes®



August 2022
Update of flugger.dk (BtC)



October 2022
Launch of Notes® EU



February 2023
Launch of flugger.pl (BtC)



February 2023
Update of digital colour journey



February 2023
Notes® nominated for 'e-commerce' award



March 2023
Launch of new website for Flügger in Norway and Sweden

2022

2023

Flügger launches new online platform – designed to support inspiration and sales in core markets

An increasing proportion of Flügger's sales to private and professional painters is taking place online. In 2022/23, the online share was 3.4%, up 20% since 2021/22. Our ambition is to increase our digital sales to 10% of our total sales.

That is why we continued to devote substantial resources to developing our e-commerce platform in 2022/23 and launching a new platform across our core markets.

We look for inspiration online – but buy in physical stores as well as online

In the year just ended, we chose to focus particularly on consumers. This is because we are convinced that the future of our industry is also online. Online, customers can not only buy Flügger products, but can also look for inspiration and advice before visiting one of Flügger's 244 physical stores.

This requires a strong online presence with inspiring content, so we have improved our content to offer more inspiring and informative articles, guides and videos about paint and colour choices.

“Many of our customers come into our stores and show us a product from flugger.dk that they want to buy. It's a really important development, with customers getting a single, uniform experience of Flügger across platforms. For us, the important thing is not where a sale happens, but that it happens – and that our customers take home the right product,” says Anders Klamer, SVP for Commercial Nordic at Flügger group A/S.

Our online platform is designed to be easy to navigate, featuring detailed product descriptions and high-resolution images. We have also introduced a number of enhanced features, including an interactive colour picker and a 'Paint Calculator' to help customers calculate how much paint they need for their project.

Exceptionally fast development

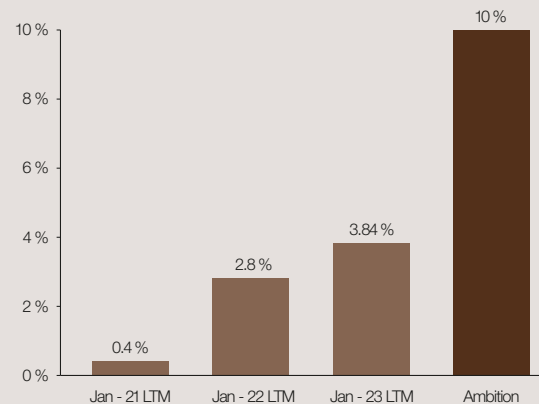
Rapid progress has been made on developing Flügger's new online platform. In August, we launched a new platform for our B2C sales in Denmark at www.flugger.dk. It took just 8 months to create, with development starting in January 2022. After a successful launch and commissioning phase, the site went live on the Polish market in February 2023, and on the Swedish and Norwegian markets in March 2023.

We expect it to contribute to significantly growing our online sales in the coming years.

Flügger's new online platform in brief

- Wide range with access to over 1,500 products.
- Click & Collect available in more than 400 stores in the different countries.
- Fast delivery throughout Scandinavia and Poland.
- More than 8,000 colours for sale.
- Outlet sales of discontinued products. This reduces the number of products that are discarded.

Share of sales online



Sustainability in Flügger

Sustainability is an integral part of Flügger's business and plays a central role in the way we develop the products of the future. Working with our suppliers and with both professional and private customers, we are constantly taking important steps towards a more sustainable future.

Ever since Flügger was founded in 1783, we have believed in the value of preserving and retaining rather than discarding in favour of something new. This is one of the reasons why we develop high-quality products which both extend the life of the painted objects and make the paint go further.

We also care about how paint affects people and the environment. Back in the 1970s, we built a factory in Kolding to produce exclusively water-based paint. The days when paints contained organic solvents and lots of harmful chemicals are therefore long gone. We have replaced virtually all oil-based and solvent-based paints with water-based paints, and we are continually improving the environmental and health profile of our products.

Ecolabelled paint reaches new milestone

For private as well as professional customers, certified ecolabels such as the Nordic Swan Ecolabel and the EU Ecolabel indicate that a product is gentle on the environment and people.

That is why we have created a wide range of ecolabelled products that cover all product types and uses in the painting profession.

Apart from ecolabelled fillers, paints, wood stains etc., our range also includes FSC-certified brushes, masking products, wall coverings, and other accessories made of recycled plastic. The idea is to make it easy to choose the greener option.

We also take responsibility for reducing the climate and environmental footprint left by our production and the packaging used for our products.

Sustainability is also about mental health, well-being and diversity

At Flügger, we see colour as a driver for mental health. Because colours make a difference. They can renew, beautify, prolong, enlarge, diminish and change. Colours help to set the mood in our homes and define our surroundings, but they also affect our efficiency and mental health.

Well-being and diversity are other important aspects of our commitment to sustainability. We take responsibility for ensuring that our employees thrive, grow and enjoy good working conditions, and that everyone can be and express who they are.

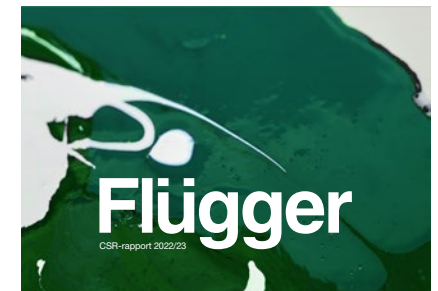
To put our words into action, we also support initiatives that make a positive difference to society. We have a long history of supporting charitable causes, and we also enter into partnerships where we can use our products, competencies or voice to contribute to a more inclusive, colourful and sustainable future.

Green ambitions for the entire Group

Our current sustainability goals and strategic focus areas cover Flügger's historical core business, i.e. segments 1 and 2 (excl. Unicell International).

However, we include data from the entire Group for selected data points. Where data is available, we describe the specific scope.

Our clear ambition is for the entire Flügger Group to contribute to a more sustainable future. That is why our acquired companies will also be integrated into our future sustainability initiatives. However, the plan is to divest parts of the Eskaro Group, so we exclude this part of the Group.



Read more about our sustainability work in our CSR Report, which also constitutes the mandatory non-financial report for Flügger group A/S, see section 99a of the Danish Financial Statements Act (Årsregnskabsloven).

The report can be accessed here:
www.flugger.com/investor/csr-rapport/

Our sustainability focus areas



Income statement

	2021/22	2022/23
Revenue	2,519,703	2,550,183
Production costs	-1,251,629	-1,359,480
Gross profit/loss	1,268,074	1,190,703
Sales and distribution costs	-897,289	-941,708
Administrative expenses	-208,081	-214,002
Other operating income	17,531	6,565
Other operating costs	-6,985	-2,586
Operating profit before writedown	173,250	38,972
Writedown Eskaro	-131,772	4,188
Operating profit	41,478	43,160
Financial income	59,119	95,142
Financial expenses	-73,489	-127,727
Profit/loss before tax	27,108	10,575
Tax	-35,301	3,834
Net profit/loss for the year	-8,193	14,409

Distribution of profit

Shareholder in Flügger group A/S, share	7,464	-4,034
Minority interests	-15,657	18,443
Net profit/loss for the year	-8,193	14,409

Net profit/loss per share after tax and minority interests

Earnings per share of DKK 20	2.5	-1.3
Diluted earnings per share of DKK 20	2.5	-1.3

Statement of comprehensive income

	2021/22	2022/23
Net profit/loss for the year	-8,193	14,409
Items recirculated to income statement:		
Value adjustment, forward contracts		
– transferred to financial items	178	-
– unrealised share	-3	-
Value adjustment, subsidiaries etc.	-1	-73,794
Total other comprehensive income	174	-73,794
Tax on other comprehensive income	38	-
Total comprehensive income	-7,981	-59,385

Comprehensive income distribution

Shareholder in Flügger group A/S, share	7,676	-77,828
Minority interests	-15,657	18,443
Net profit/loss for the year	-7,981	-59,385

Balance sheet

	30 April 2022	30 April 2023
Assets		
Goodwill	148,855	145,122
Software	42,528	41,245
Other intangible assets	35,820	30,975
Prepayments, intangible assets	25,396	23,381
Intangible assets	252,599	240,723
Land and buildings	284,161	296,843
Technical plant and machinery	106,036	94,327
Other machinery and equipment	73,851	85,000
Leased assets	382,176	328,735
Assets under construction	135,970	108,640
Property, plant and equipment	982,194	913,545
Deferred tax asset	13,598	39,547
Non-current assets	1,248,391	1,193,815
Inventories	502,964	468,557
Receivables	439,090	451,735
Securities	62	56
Cash and cash equivalents	35,002	17,674
Current assets	977,118	938,022
Total assets	2,225,509	2,131,837

	30 April 2022	30 April 2023
Liabilities		
Share capital	60,000	60,000
Reserve for foreign exchange adjustment	-93,494	-167,000
Retained earnings	909,530	834,239
Proposed dividend	30,000	15,000
Equity, excl. minorities	906,036	742,239
Minority interests	12,909	31,352
Equity	918,945	773,591
Deferred tax	23,602	28,957
Lease liability	302,225	250,879
Mortgage credit institution loans	112,710	112,710
Bank debt	15,117	6,646
Other payables	7,506	3,965
Liability, put option	-	50,631
Long-term liabilities	461,160	453,788
Lease liability	89,169	88,368
Bank debt	237,000	333,658
Debt to related parties	37,000	14,170
Suppliers	283,478	252,660
Income tax	23,022	21,212
Other payables	175,694	162,979
Liability, put option	-	31,379
Deferred income	41	32
Short-term liabilities	845,404	904,458
Total liabilities	2,225,509	2,131,837

Statement of changes in equity

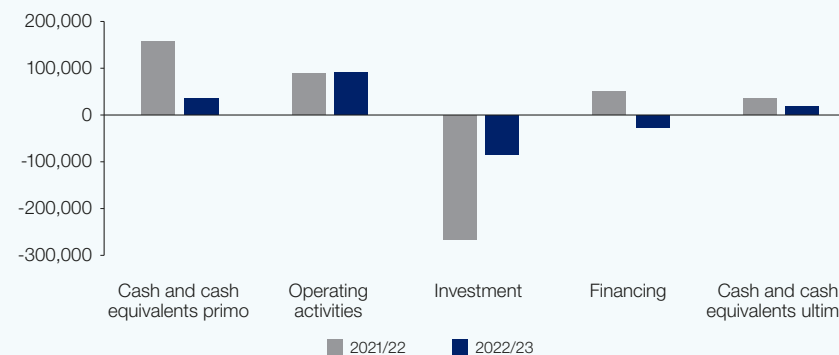
	Share capital	Reserve for foreign exchange adjustments	Reserve for hedging transactions	Retained earnings	Proposed/distributed dividend	Company share	Minority interests	Total equity
Equity at 30 April 2021	60,000	-93,493	-213	899,788	45,000	911,082	39,808	950,890
Net profit/loss for the year	-	-	-	7,464	-	7,464	-15,657	-8,193
Items recirculated to income statement:								
Value adjustment, forward contracts	-	-	175	-	-	175	-	175
Value adjustment, subsidiaries etc.	-	-1	-	-	-	-1	-	-1
Other comprehensive income	-	-1	175	-	-	174	-	174
Tax on other comprehensive income	-	-	38	-	-	38	-	38
Total comprehensive income	-	-1	213	7,464	-	7,676	-15,657	-7,981
Distributed dividend	-	-	-	-	-45,000	-45,000	-	-45,000
Dividend on own shares	-	-	-	863	-	863	-	863
Minorities, added	-	-	-	-	-	-	-11,242	-11,242
Proposed dividend	-	-	-	-30,000	30,000	-	-	-
Share options	-	-	-	1,162	-	1,162	-	1,162
Own shares, used during the year	-	-	-	30,253	-	30,253	-	30,253
Total transactions with shareholders	-	-	-	2,278	-15,000	-12,722	-11,242	-23,964
Equity at 30 April 2022	60,000	-93,494	0	909,530	30,000	906,036	12,909	918,945
Net profit/loss for the year	-	-	-	-4,034	-	-4,034	18,443	14,409
Items recirculated to income statement:								
Value adjustment, subsidiaries etc.	-	-73,506	-	-288	-	-73,794	-	-73,794
Other comprehensive income	-	-73,506	-	-288	-	-73,794	-	-73,794
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-73,506	-	-4,322	-	-77,828	18,443	-59,385
Distributed dividend	-	-	-	-	-30,000	-30,000	-	-30,000
Dividend on own shares	-	-	-	72	-	72	-	72
Minorities, added	-	-	-	-	-	-	-	-
Put option	-	-	-	-82,010	-	-82,010	-	-82,010
Proposed dividend	-	-	-	-15,000	15,000	-	-	-
Sale of own shares	-	-	-	23,050	-	23,050	-	23,050
Share options	-	-	-	1,134	-	1,134	-	1,134
Own shares, used during the year	-	-	-	1,785	-	1,785	-	1,785
Total transactions with shareholders	-	-	-	-70,969	-15,000	-85,969	-	-85,969
Equity at 30 April 2023	60,000	-167,000	-	834,239	15,000	742,239	31,352	773,591

Cash flow statement

	2021/22	2022/23
Operating profit	41,478	43,160
Depreciation, amortisation and writedowns	260,217	164,267
Other non-cash items	9,602	-19,168
Change in receivables	42,068	-11,544
Change in inventories	-91,524	15,723
Change in trade creditors	-59,608	-39,513
Change in other liabilities relating to operations	-52,382	-25,657
Cash generated from operations before financing and tax	149,851	127,268
Financial income	1,650	1,545
Financial expenses	-31,246	-22,542
Cash generated from operations before tax paid	120,255	106,271
Tax paid	-40,644	-22,760
Cash flow from operating activities	79,611	83,511
Purchase of intangible assets	-57,368	-13,266
Purchase of property, plant and equipment	-185,904	-72,470
Sale of non-current assets	18,111	1,258
Acquisition of company	-39,424	-
Cash used in investing activities	-264,585	-84,478
Cash flow after investing activities	-184,974	-967
Drawings on credit facility	30,645	88,187
Raising of mortgage loans	112,710	-
Raising of debt to related parties	37,000	14,170
Repayment of debt to related parties	-	-37,000
Lease expenses paid	-75,907	-76,530
Dividend paid	-44,137	-29,928
Sale of own shares	-	23,050
Cash used in financing activities	60,311	-18,051
Cash flow for the year	-124,663	-19,018
Cash and cash equivalents, beginning of year	156,682	35,002
Value adjustment	2,983	1,690
Cash and cash equivalents, year-end	35,002	17,674

The cash flow statement figures cannot be directly derived from the consolidated balance sheet figures, as the opening balance sheets for the foreign affiliated companies are converted at end-of-year exchange rates in the individual years. Bank accounts and fixed-term deposits contain tied-up funds totalling DKK 0.2 million (last year DKK 0.3 million).

Development in cash flow



Accounting policies applied

Cash flow statement

The cash flow statement shows cash flow for the year, broken down by operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities are calculated according to the indirect method on the basis of the profit/loss for the year after paid interest and tax adjusted for non-cash operating items and changes in working capital.

Cash flow from investing activities include payments in connection with the acquisition and divestment of companies and activities, the acquisition and sale of intangible assets, property, plant and equipment and other non-current assets.

Cash flow from financing activities include changes in the size or composition of share capital and costs associated with this as well as the raising of loans, instalments on interest-bearing debt, lease expenses paid, purchase of own shares as well as dividend paid to shareholders etc.

Cash and cash equivalents include cash funds and securities with a term to maturity of less than three months and which can easily be converted into cash funds and for which there are only negligible risks of changes in value.

Cash flow denominated in currencies other than the functional currency are converted as at transaction day exchange rates.

Cash and cash equivalents

Cash and cash equivalents comprise cash holdings and bank balances including fixed-term deposits. The holdings are measured at nominal value.

