

# Flügger Group

## Investor presentation Q1 23/24



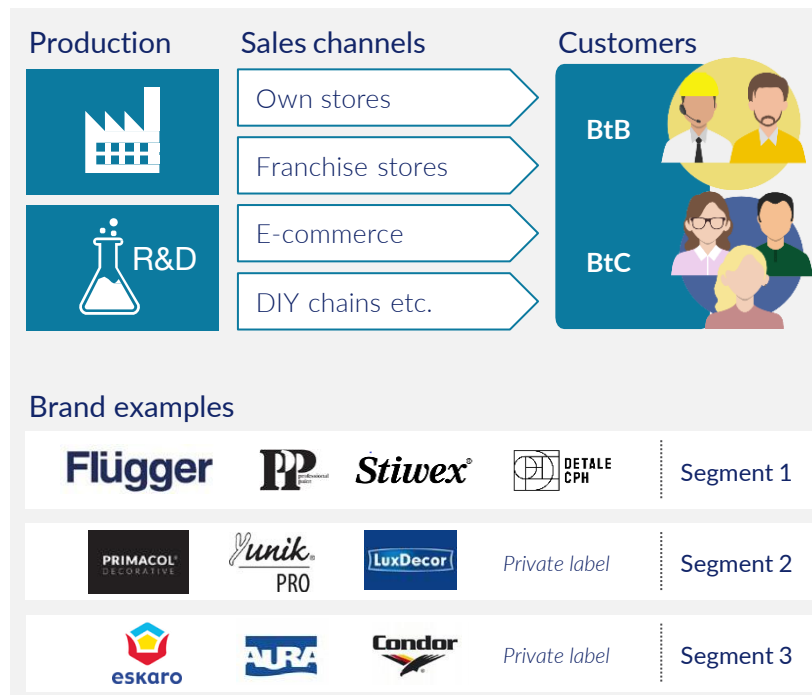
**Flügger**

# Flügger at a glance

## Key L12M figures Q1 2023/2024

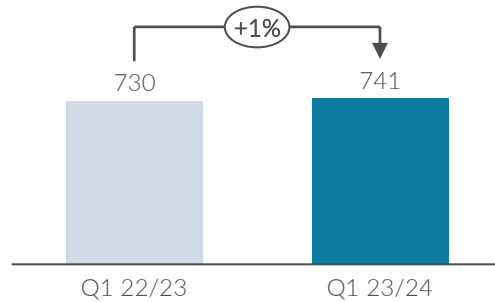
Revenue mDKK	EBIT mDKK
<b>2.561</b>	<b>61</b>
Full-time employees	Markets
<b>2.247</b>	<b>17</b>
No. factories	No. stores
<b>12</b>	<b>346</b>

## Flügger's business model



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

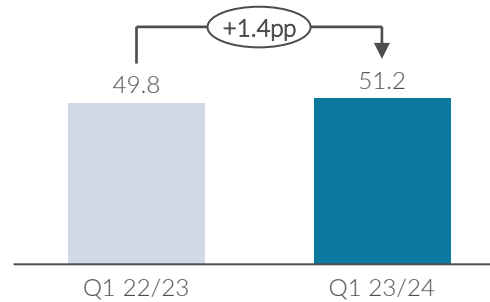
## Revenue (mDKK)



### 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 (%)

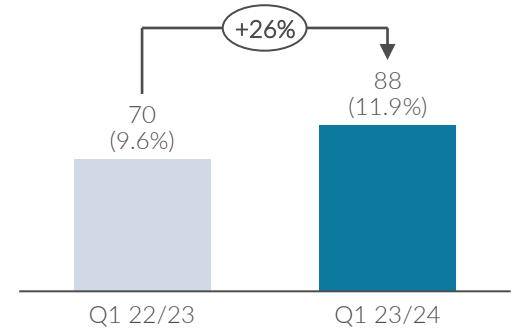


### Gross margin slowly normalizes

- 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)

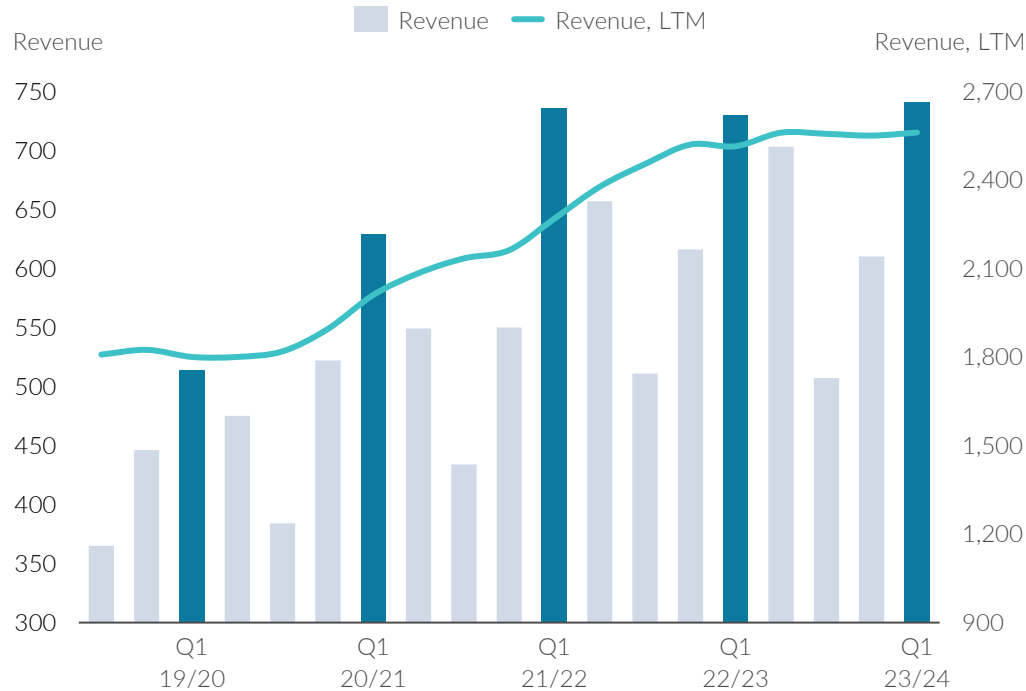


### Improvement in main segments

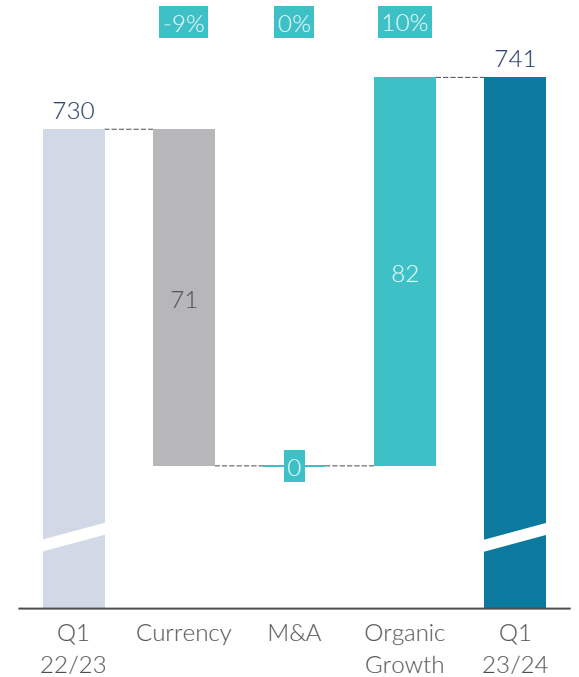
- Improvement in EBIT is driven by segments 1 and 2
- Segment 3 Eskaro declined slightly QoQ

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

Revenue development (mDKK)

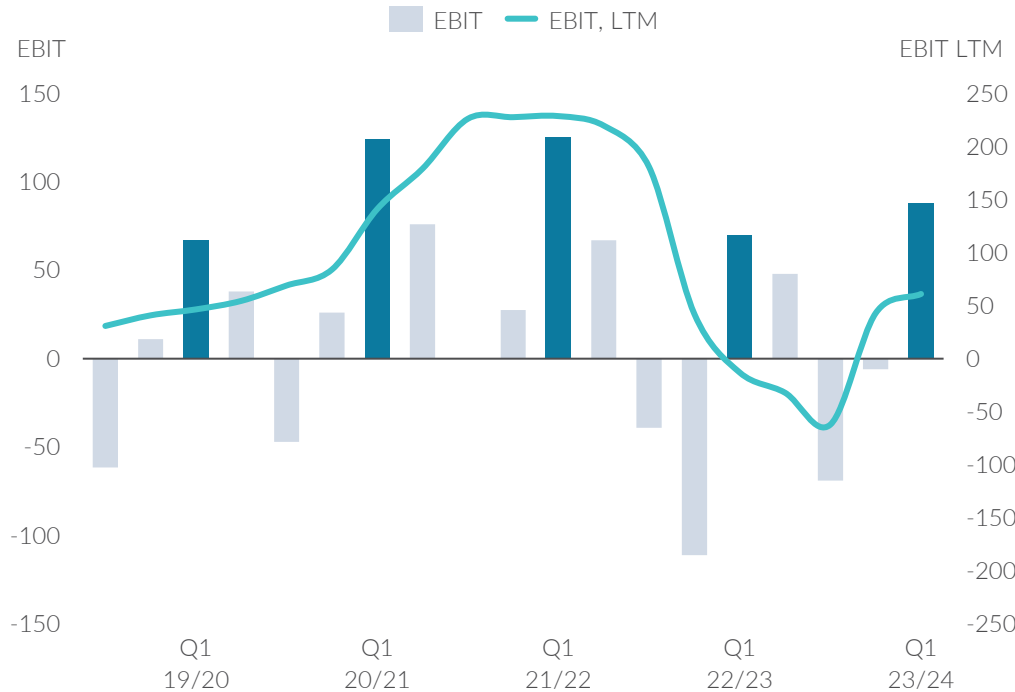


Revenue effects (mDKK)

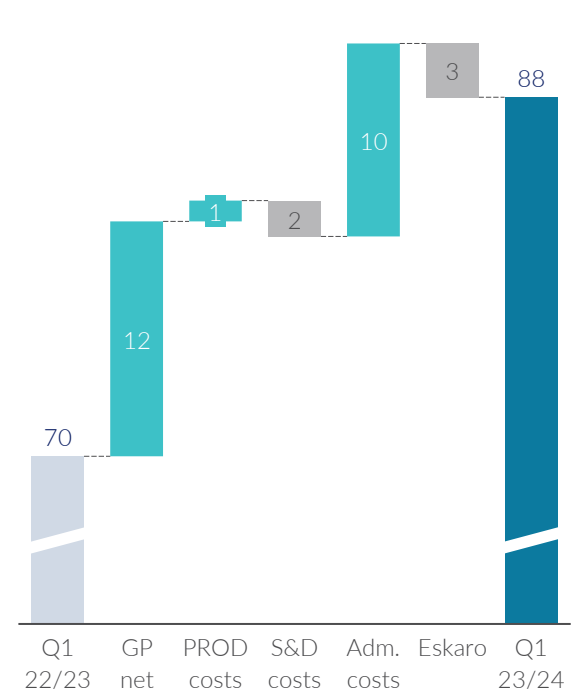


# Improvement in EBIT and in line with expectations, however still affected by difficult market conditions, unfavorable customer mix and higher cost levels

EBIT development (mDKK)

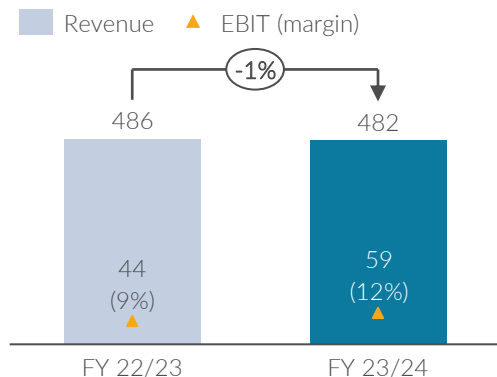


EBIT effects (mDKK)



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

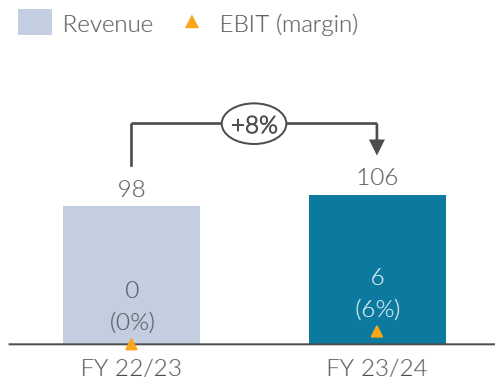
## Segment 1 (mDKK)



**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

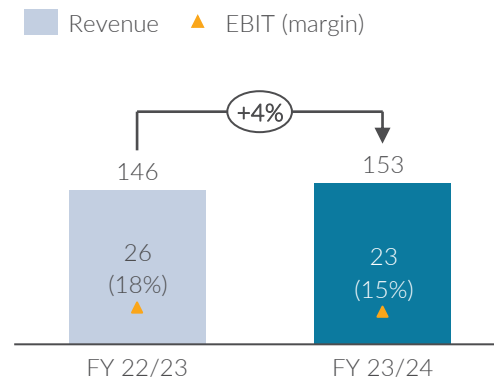
## Segment 2 (mDKK)



**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)



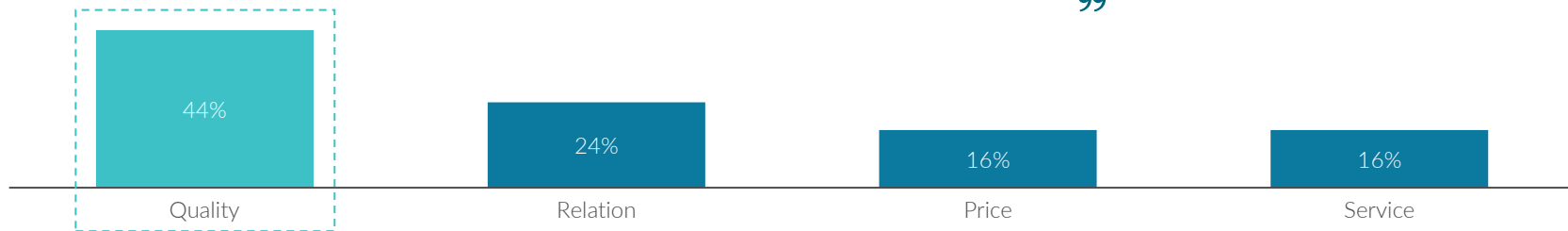
**Ukraine in improvement**

- 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

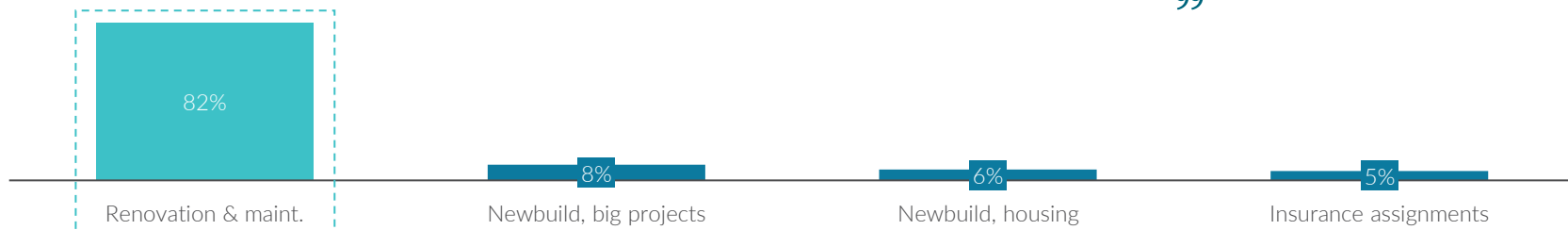
## Q1 2023/24 business highlight – Customers in focus

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

“ What do you rank highest selecting paint supplier? ”



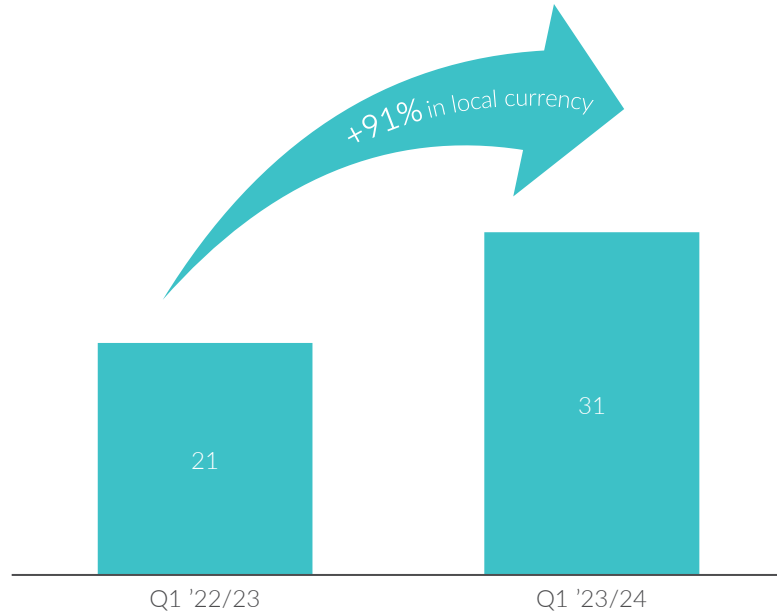
“ What type of jobs do you expect to earn your money on in the future ”



# 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)



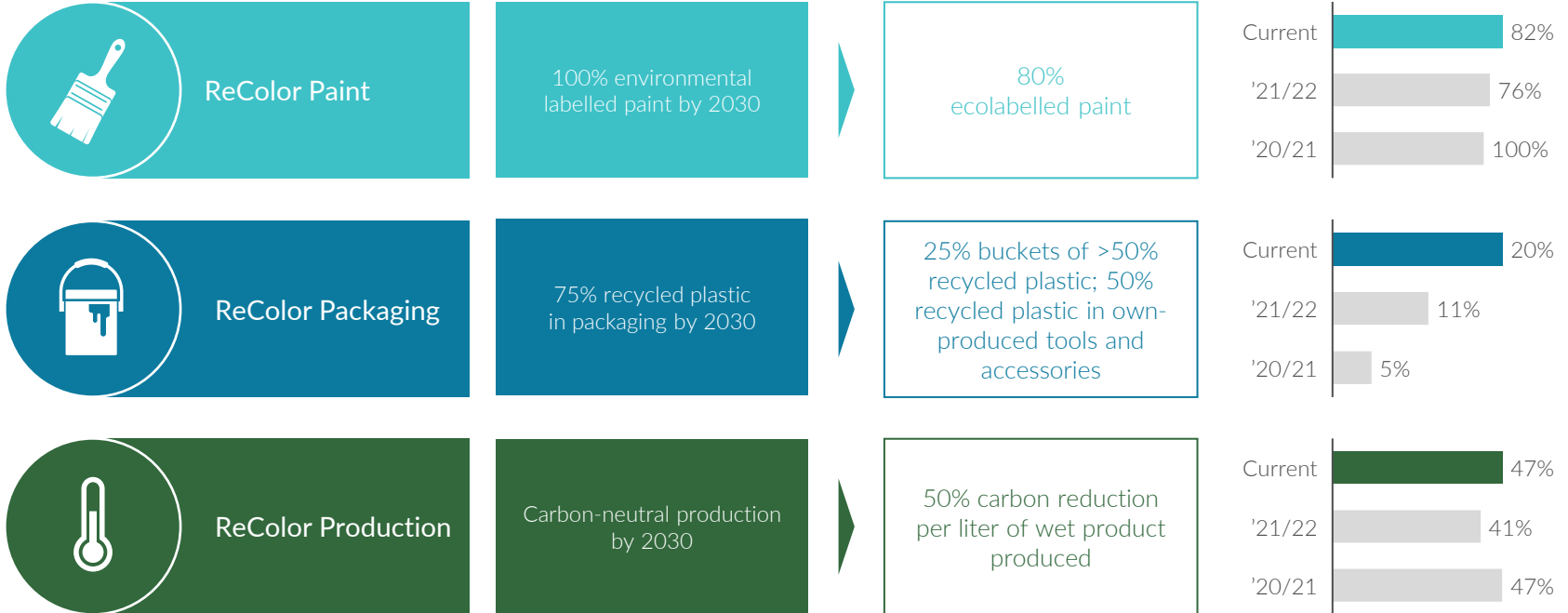


# Going green strategy – selected CSR targets and status

## Going Green sustainability focus areas and key selected targets

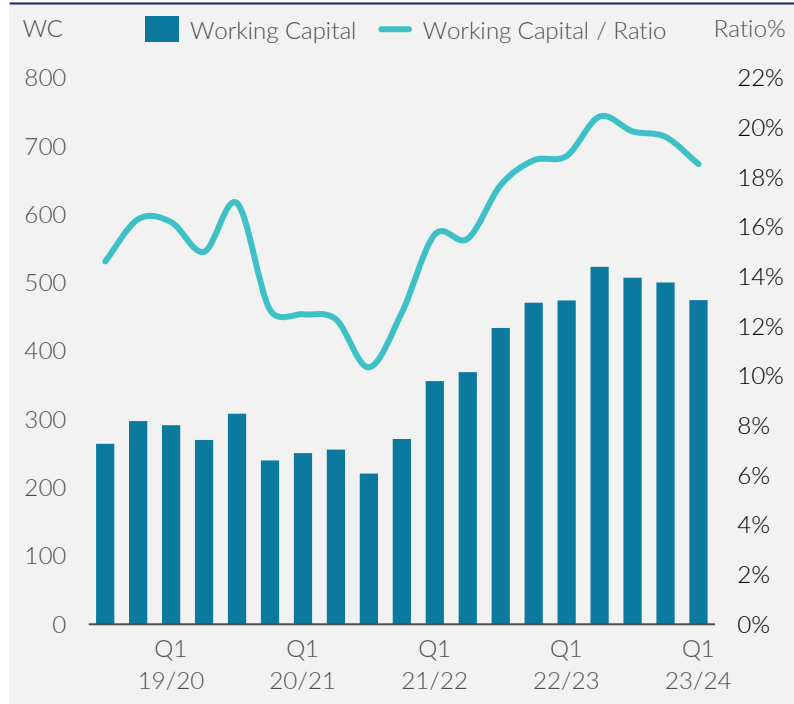
## Selected target '23/24

## Current achievement

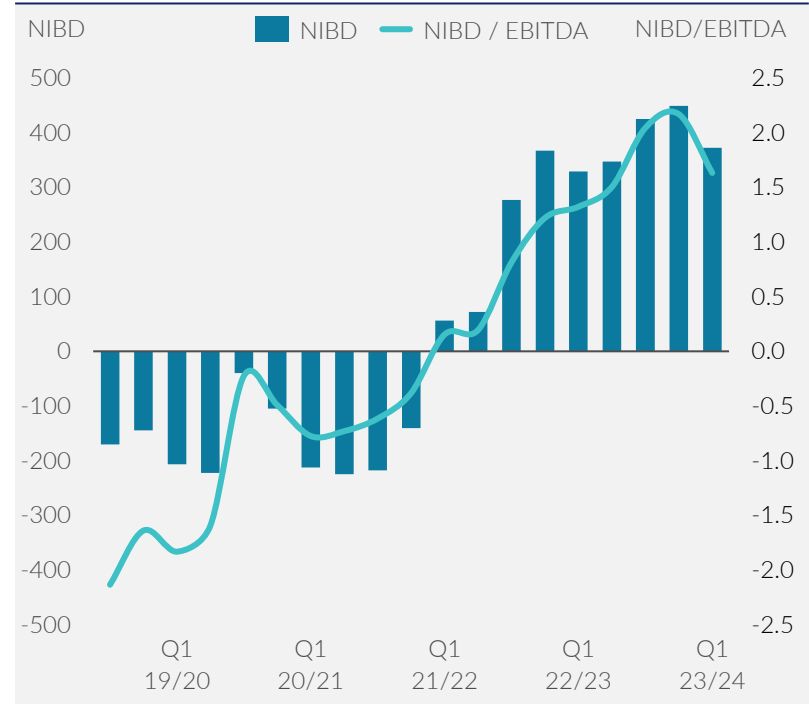


# Solid inventory reduction brings working capital on par with LY despite lower payables – positive impact on NIBD and ratio

Net working capital (mDKK)

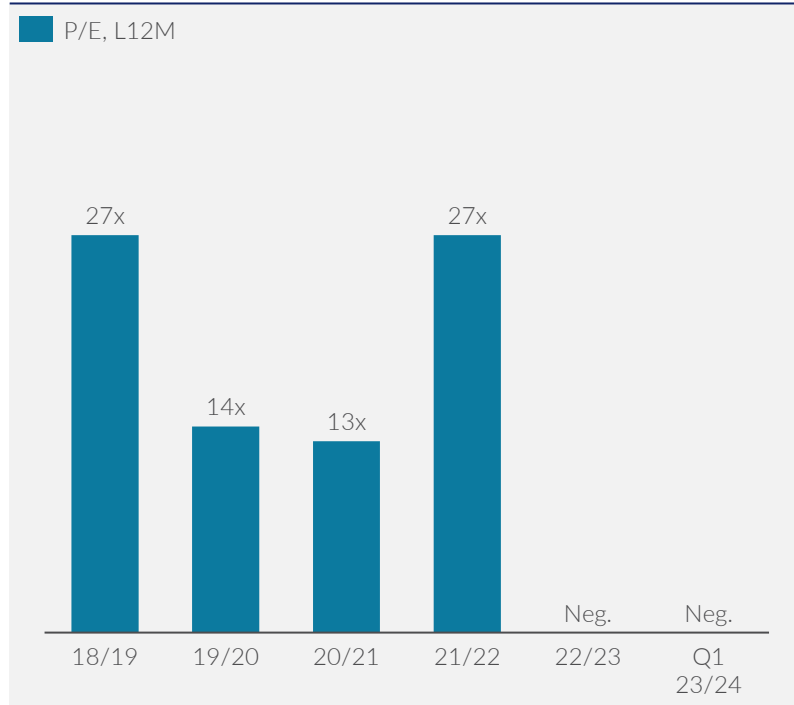


Financial solidity (mDKK)

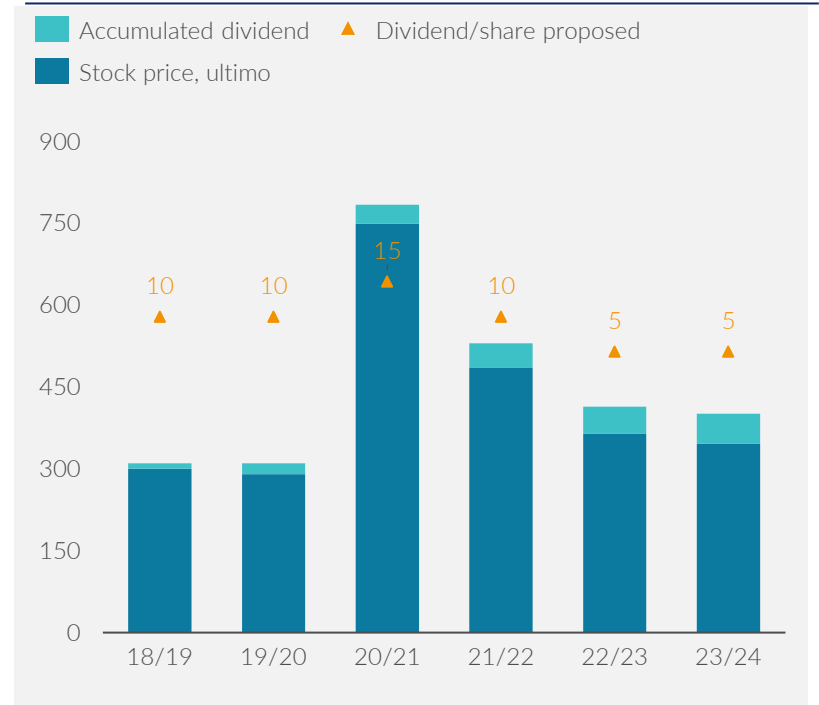


# LTM price/earnings ratio affected by challenged earnings due to historically high cost levels. Dividend proposal in 23/24 in line with historical payments

## Price/earnings development



## Share price development incl. reinvested dividends

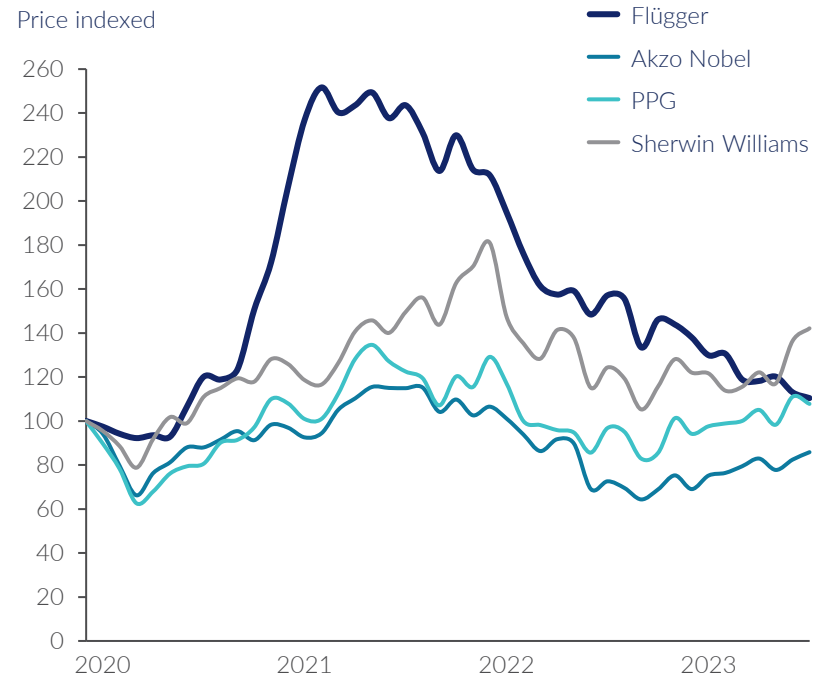


# Share price development

## 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](mailto:IR@flugger.com) for any further questions or visit [flugger.com/investor](http://flugger.com/investor)