

Flügger Group

Investor presentation Q2 23/24



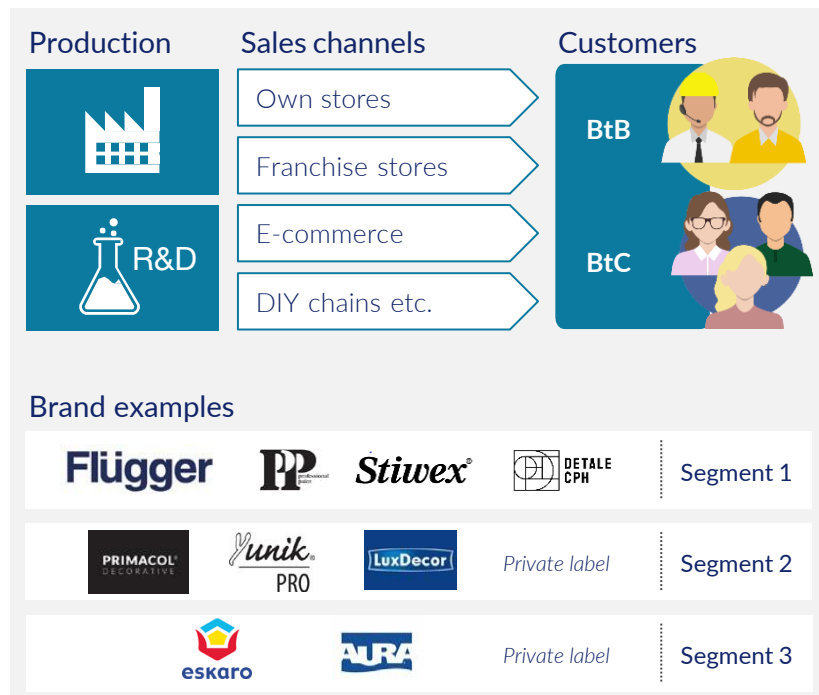
Flügger at a glance

The figures in this presentation are continuing operations (i.e. excl. recent divestment) unless stated differently

Key L12M figures Q2 2023/2024

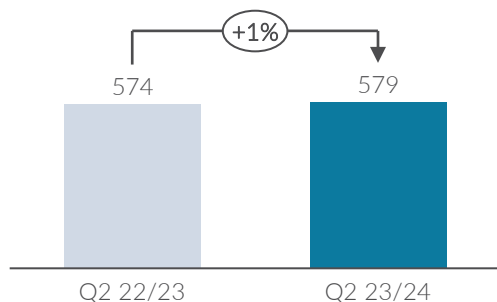
Revenue mDKK	EBIT mDKK
2.150	18
Full-time employees	Markets
1.675	14
No. factories	No. stores
7	338

Flügger's business model



Q2 23/24 highlights 1% revenue growth despite challenged markets and currency. EBIT impacted by slightly declining raw material- and energy costs

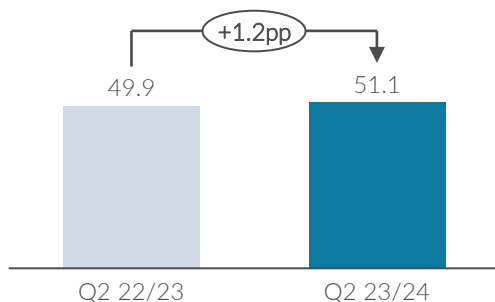
Revenue (mDKK)



Sales overall at a satisfactory level

- Unfavorable currency development of -3% across main markets resulting in reported growth of 1%
- Organic growth of 4% despite slow down in main markets

Gross margin (%)

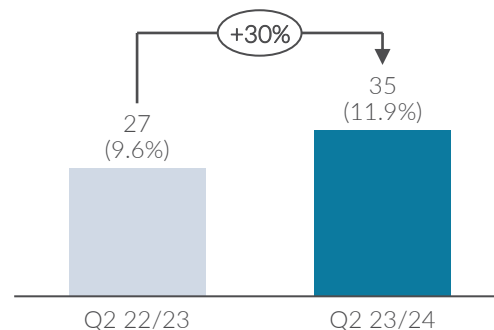


Gross margin slowly normalizes

- 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
- Flat EBIT development in Segment 3, although revenue growth

Q2 23/24 segments – Segment 1 & 2 realized positive organic growth and higher earnings. Recovering sales in continuing operations in Segment 3

Segment 1 Flügger (mDKK)

	Q2 23/24	YoY
Revenue	449	-2%
EBIT	29	+12%
EBIT Margin%	6%	+0.8pp

Steady sales and cost discipline

- Organic growth of 2% driven by Poland and Norway, 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 DIY (mDKK)

	Q2 23/24	YoY
Revenue	97	+8%
EBIT	2	n.m.
EBIT Margin%	2%	+5.4pp

Organic growth

- Organic growth of 9%, partly offset by negative currency of -1%
- Revenue positively impacted by new customers and increasing sales in Poland
- EBIT up from -3mDKK driven by lower raw material and transportation costs

Segment 3 Eskaro (mDKK)

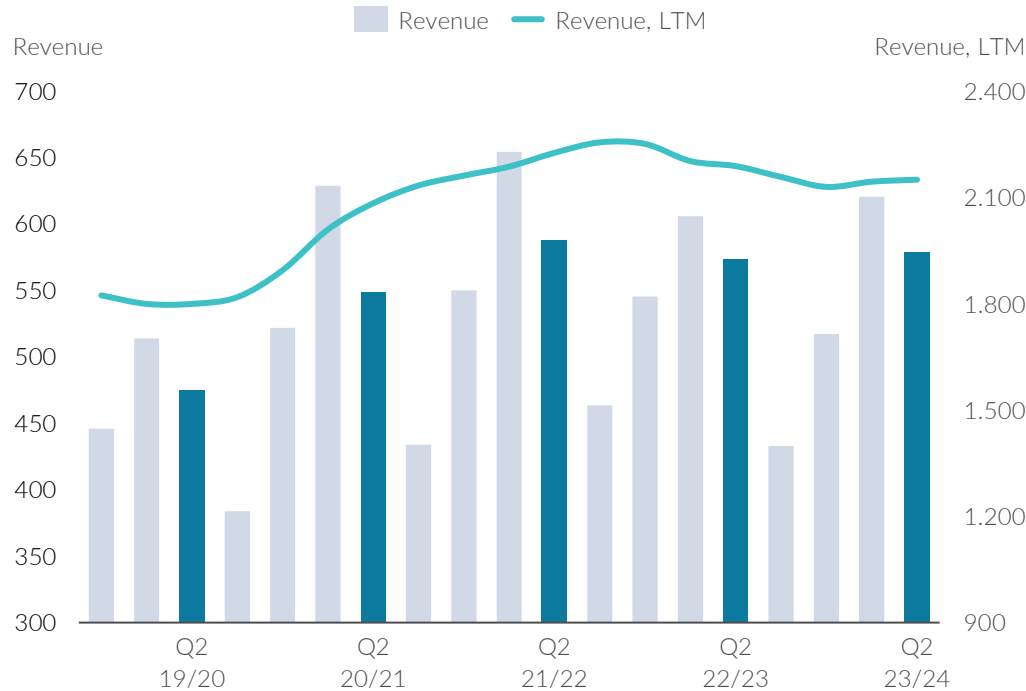
	Q2 23/24	YoY
Revenue	33	+26%
EBIT	4	0%
EBIT Margin%	12%	-3.1pp

Continuing operations Ukraine

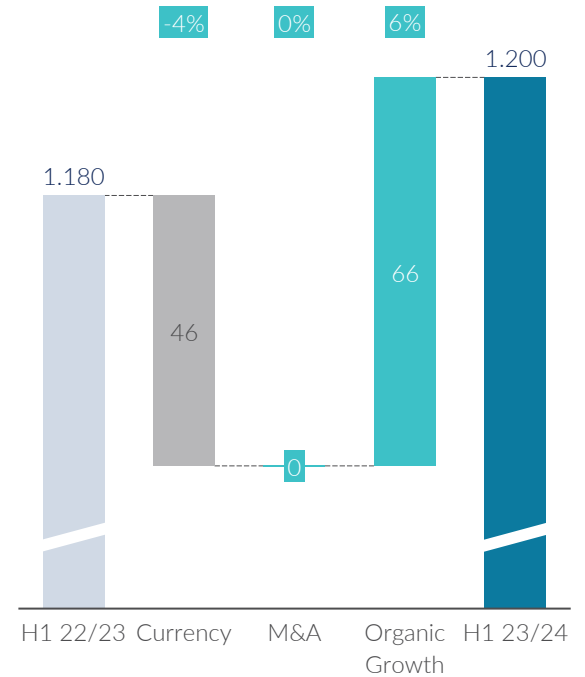
- Organic growth of 35%, partly offset by negative currency of -9%
- Recovering sales in Ukraine impacting earnings positively
- Segment 3 still subject to uncertainty

Revenue increased +2% H1 compared to last year driven by organic growth of 6%, partly offset by negative currency effect of 4%

Revenue development (mDKK)

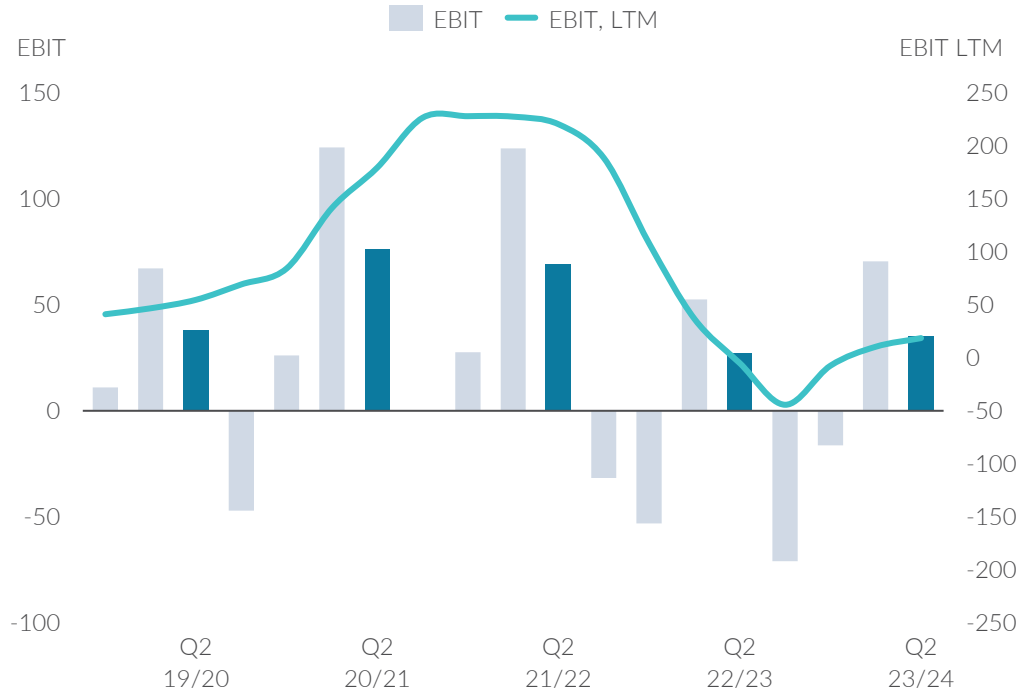


Revenue effects H1 (mDKK)

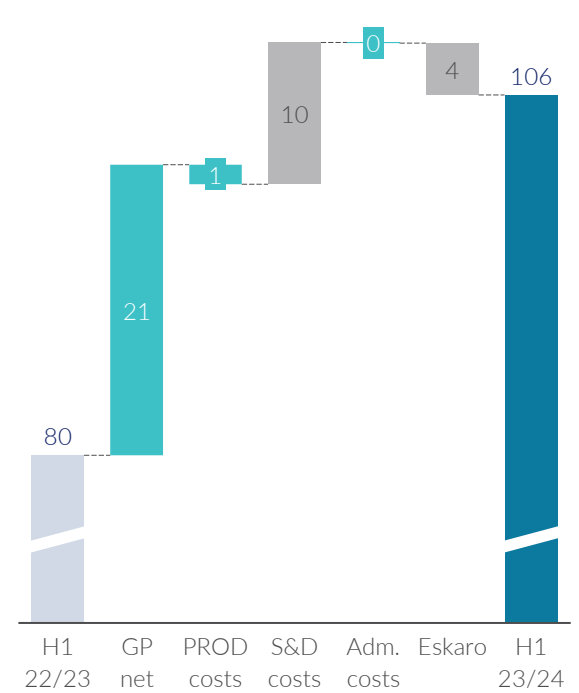


Improvement in EBIT YTD mainly driven by positive development in raw material- and energy costs

EBIT development (mDKK)



EBIT effects H1 (mDKK)



Q2 2023/24 business highlight – Divestment in segment 3 (Ukraine remains)

Segment 3 now only comprises activities in Ukraine

Divestment in Segment 3

What?

- Eskaro Group AB divested including all its markets, except Eskaro Ukraine
- Eskaro Ukraine is still part of Flügger Group with ownership increased from 70% to 80%

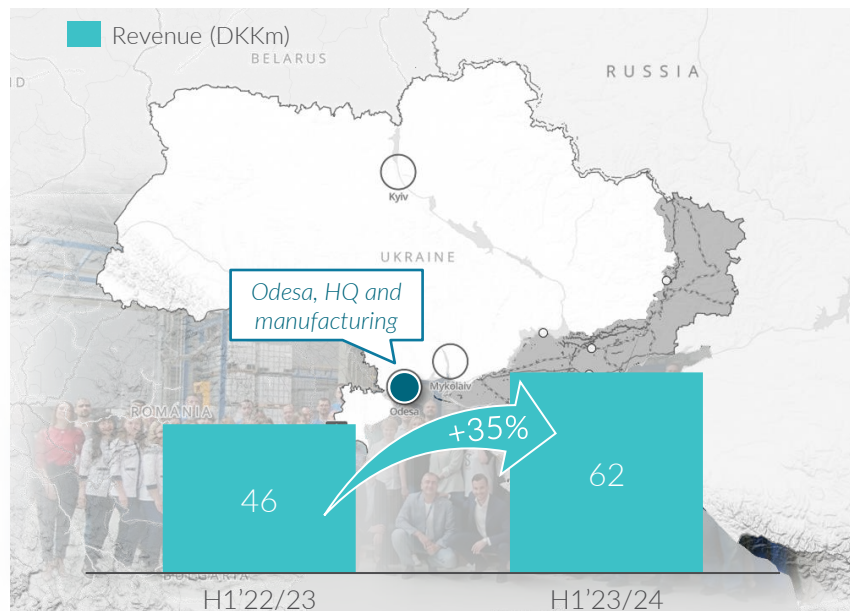
When?

- The transaction was completed 10 November 2023 (after Q2 reporting period)
- Divestment is treated as discontinuing activities in the Q2 report

Why?

- The divestment reduces complexity in Flügger Group and enables focus on core business and markets with long-term perspectives

Remaining Segment 3



Q2 2023/24 business highlight – Launch of Dekso AIR and wet room system

Dekso AIR: first paint with Asthma Allergy Nordic label



✓ First product ever with Asthma Allergy Nordic label

✓ Also has Nordic Swan, Eurofins, EU Ecolabel and M1 which ensures high quality

✓ Forms a potential for setting standard for future product platforms

Wet Room: first wet room paint system with Nordic Swan



✓ First certified wet room system (MVK) ever with Nordic Swan label

✓ Reduces work time for painters with c. 33%

✓ Easy complete system comprising eco-labelled paint, primer, adhesive, putty

Going green strategy – selected CSR targets and status

Going Green sustainability focus areas and key selected targets

Selected target '23/24

Current achievement

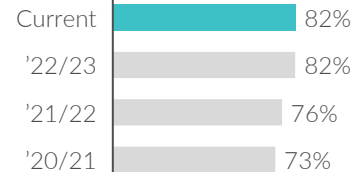


ReColor Paint

100% environmental labelled paint by 2030



80%
eco-labelled paint

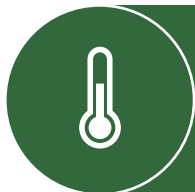
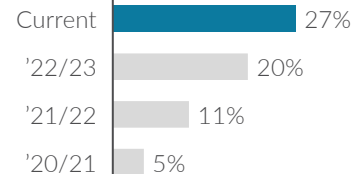


ReColor Packaging

75% recycled plastic in packaging by 2030



25% buckets of >50% recycled plastic; 50% recycled plastic in own-produced tools and accessories

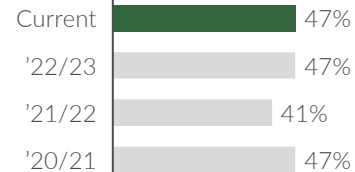


ReColor Production

Carbon-neutral production by 2030

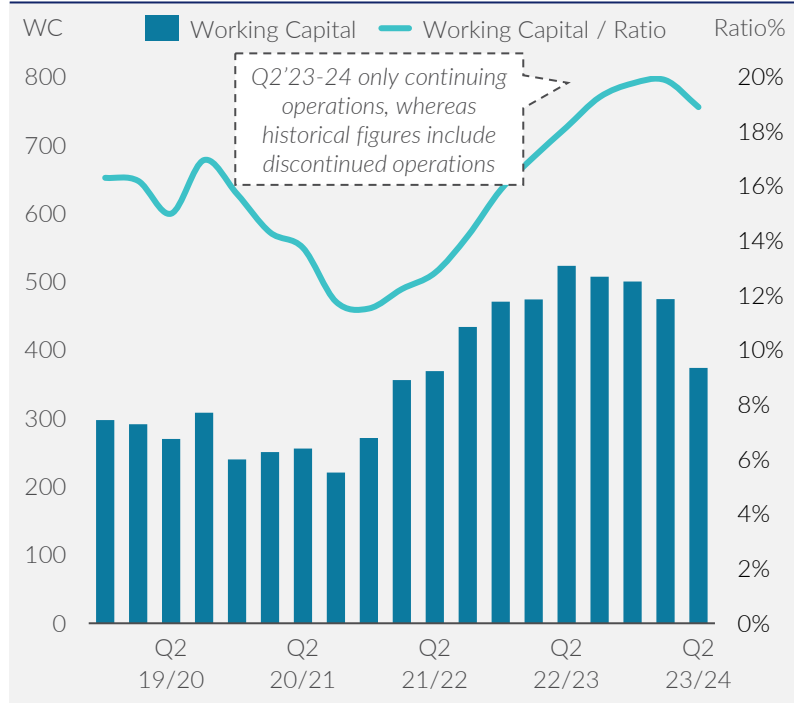


50% carbon reduction per liter of wet product produced

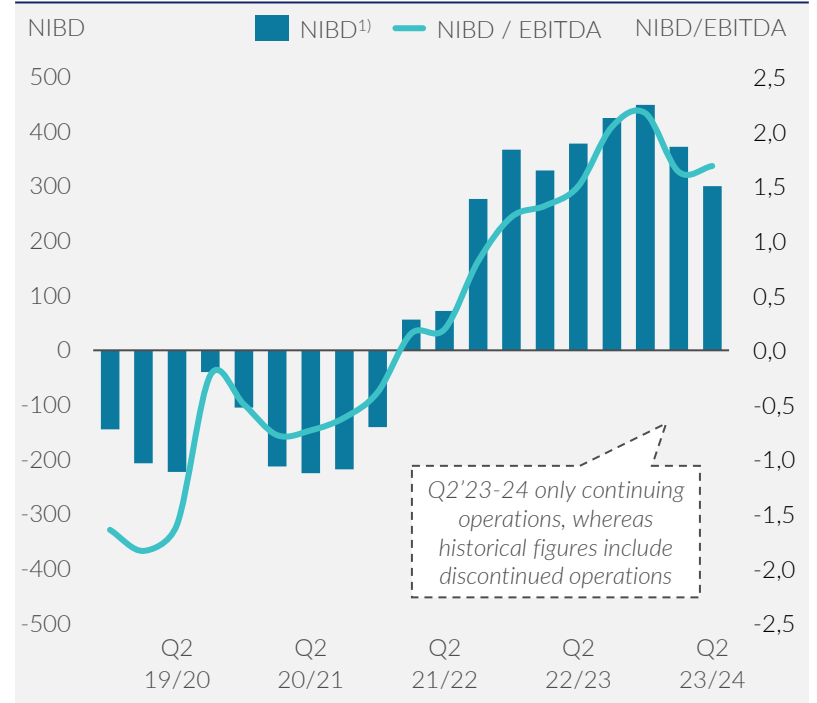


Solid inventory reduction brings working capital and NIBD below LY

Net working capital (mDKK)



Financial solidity (mDKK)

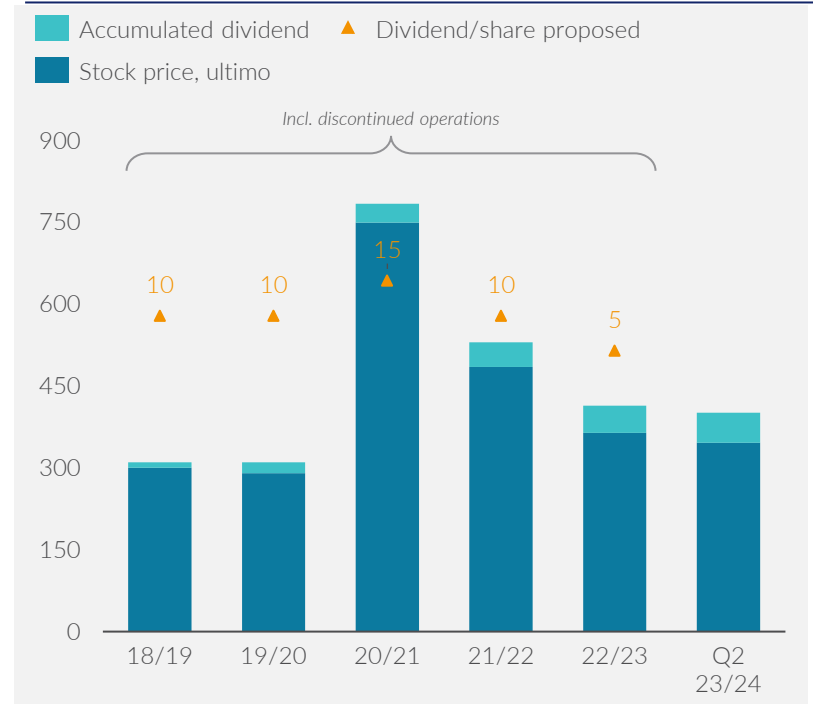


Improved earnings in continuing operations LTM drives price/earnings ratio

Price/earnings development



Share price development incl. reinvested dividends

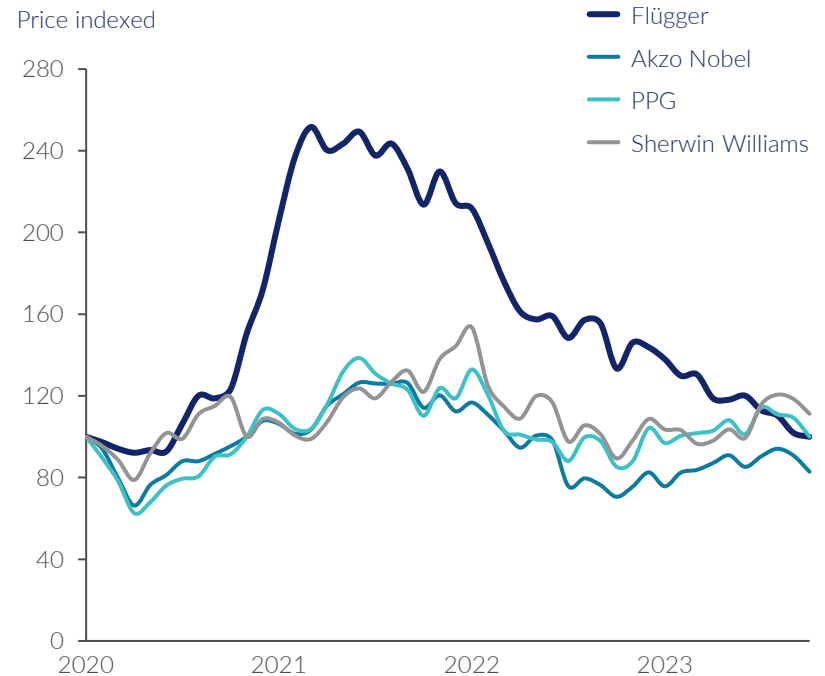


Share price development

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 – Continuing operations

Updated guidance 10 November 2023

Revenue

2,100m – 2,200m

Previous range 2.500m-2.700m
(which included discontinuing activities)

EBIT

55m – 75m

Previous range 60m-120m
(which included discontinuing activities)



Thank you for listening

Flügger

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