

Flügger Group

Investor presentation

Q3 2022/23



Flügger at a glance

Key LTM figures Q3 2022/23

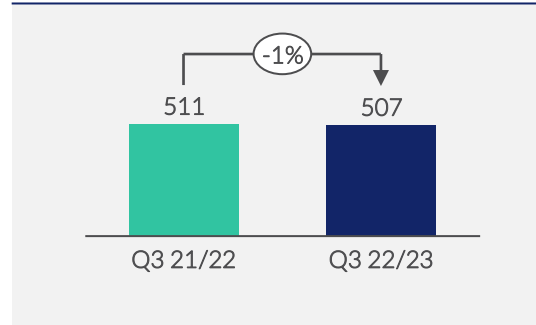
Revenue mDKK 2,556	EBIT* mDKK 66
Full-time employees 2,336	Markets 17
No. factories 12	No. stores 358

Flügger's business model

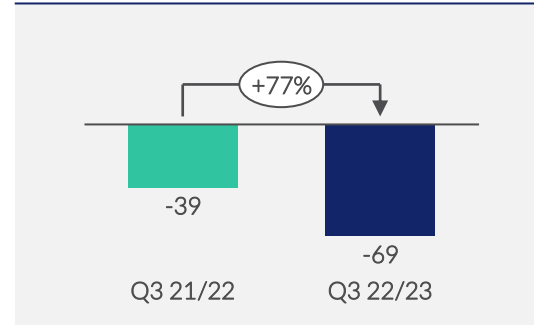


Q3 22/23 highlights

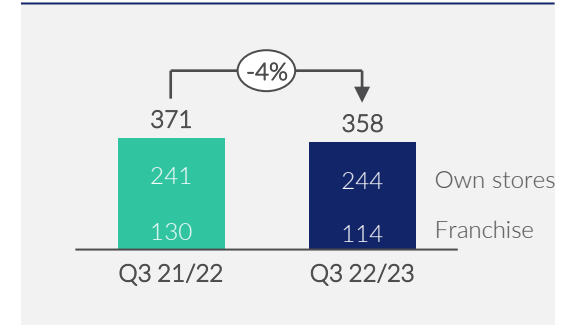
Revenue (mDKK)



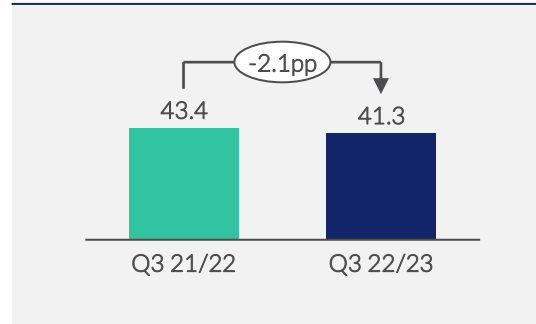
EBIT (mDKK)



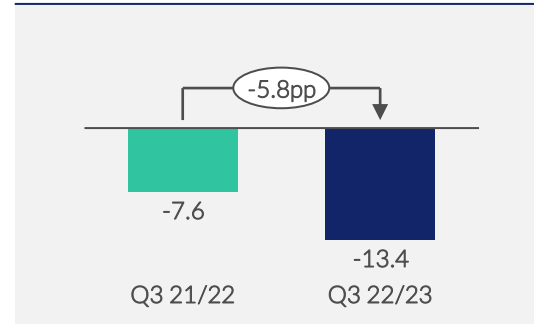
Own & franchise stores (#)



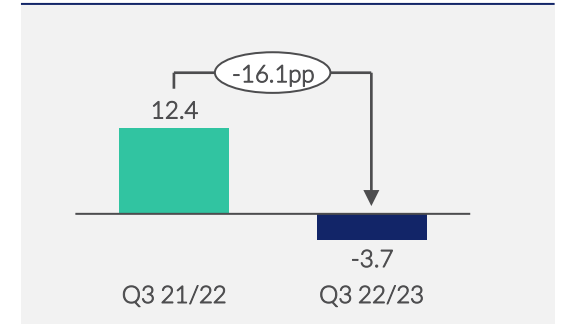
Gross Margin (%)



EBIT-margin (%)

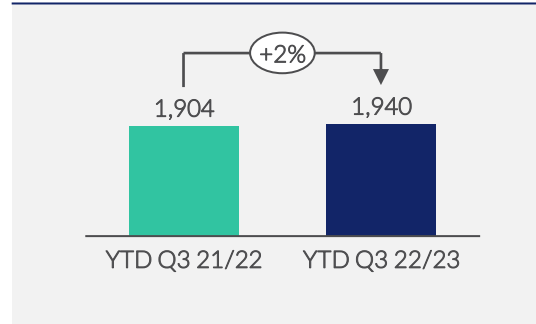


ROCE, LTM (%)

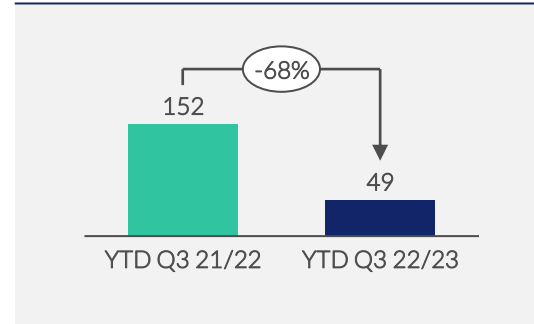


YTD 22/23 highlights

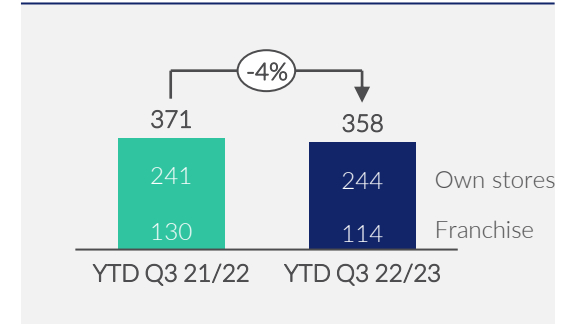
Revenue (mDKK)



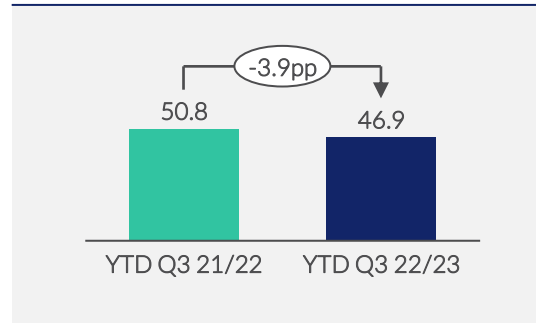
EBIT (mDKK)



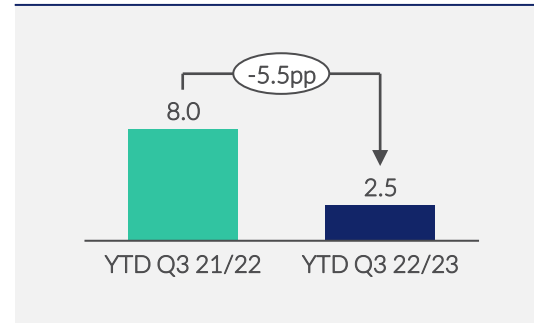
Own & franchise stores (#)



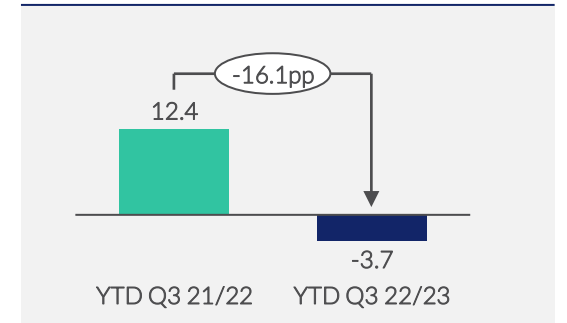
Gross Margin (%)



EBIT-margin (%)

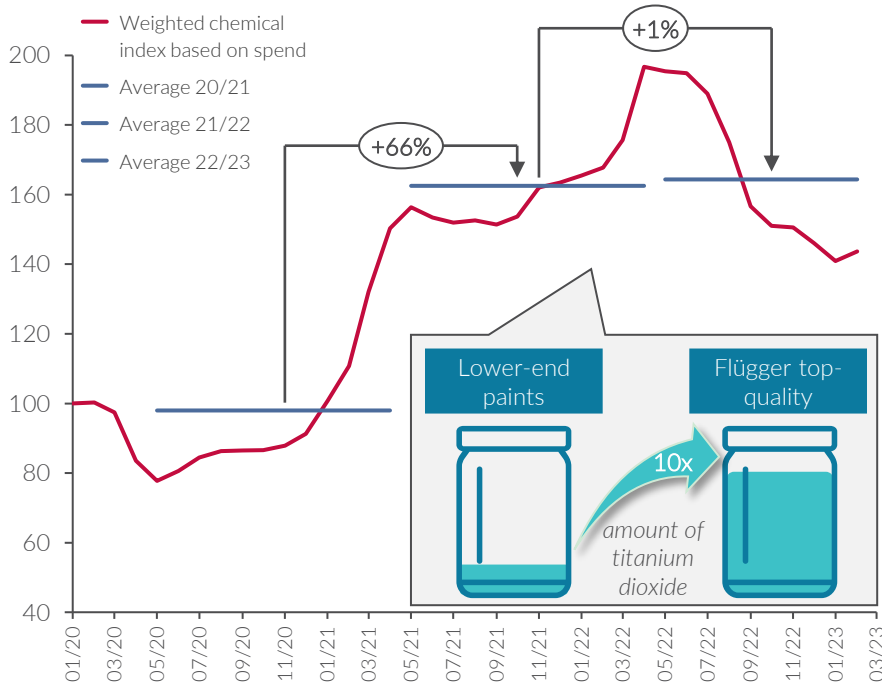


ROCE, LTM (%)

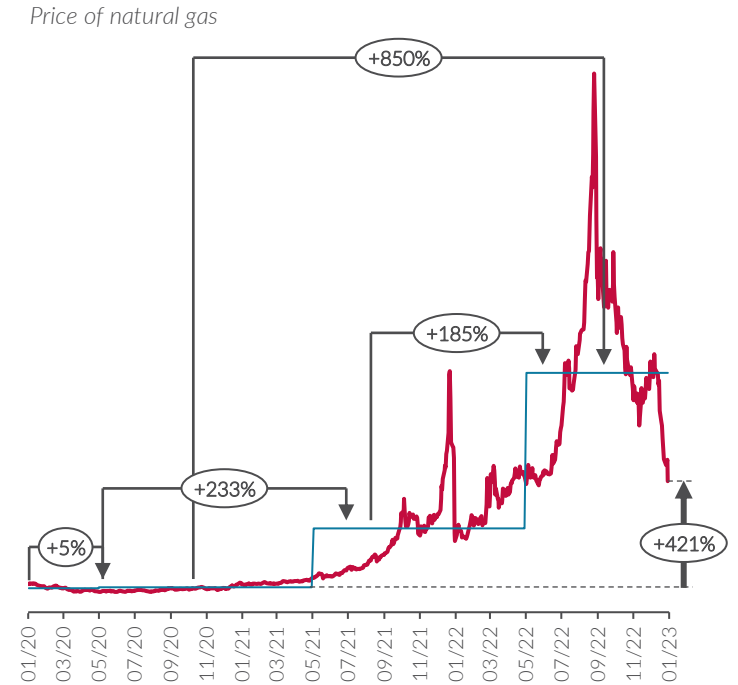


Decline in raw material prices, but gas and energy prices still at a high level in historical context

Chemicals market impact c. 42% of Flügger raw material cost base



Gas/energy impact c. 15% of raw materials cost base

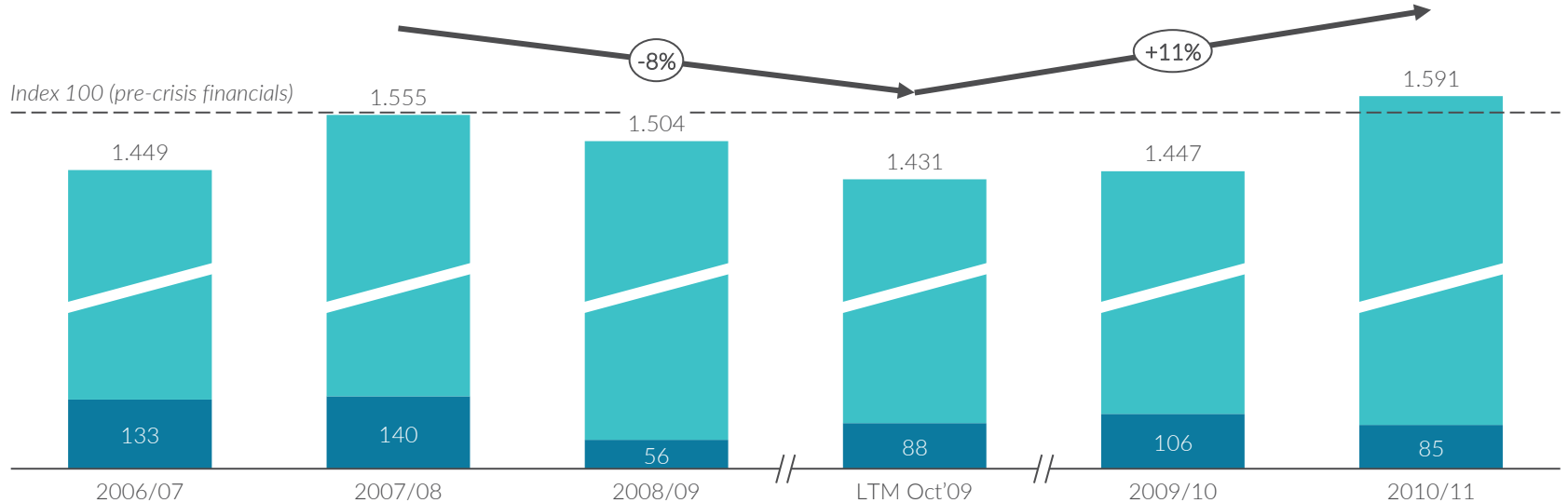


Demonstrated robustness during the financial crisis with 1.5 years' recovery time – current conditions suggest 'the bottom' has already been reached

It took approx. 1.5 years to hit financial bottom in the 2008 financial crisis (effect from Q2'08/09), and 1.5 years to get back

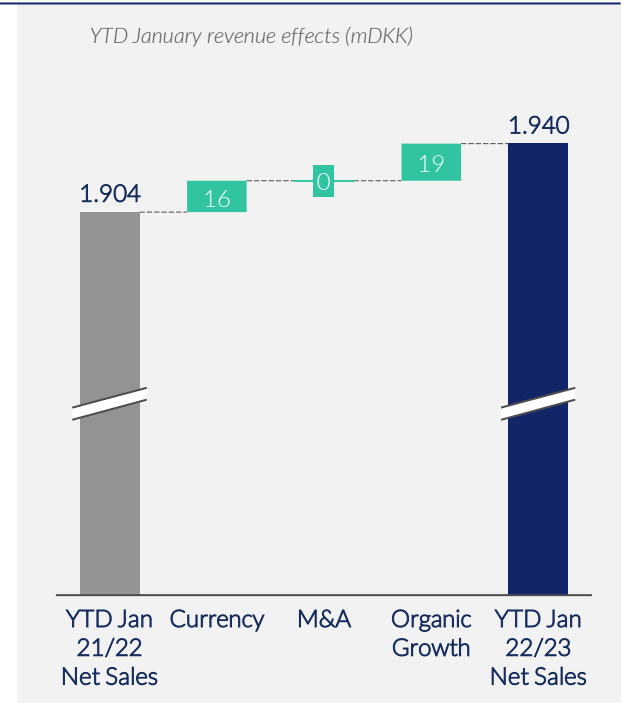
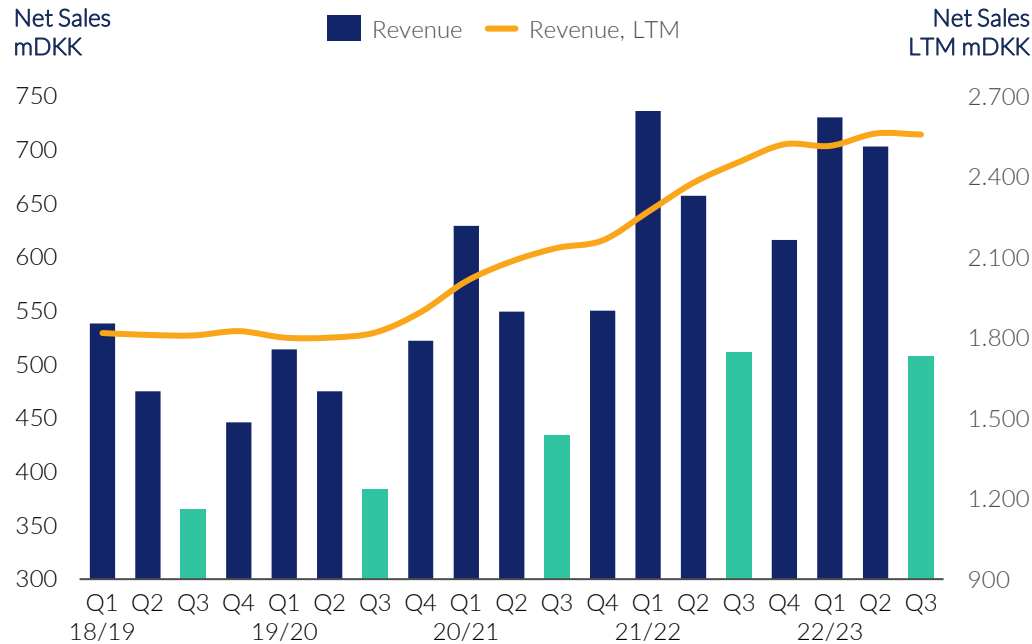
Revenue (mDKK) EBIT (mDKK)

Flügger presumes to have reached 'bottom trend' around November 2022, hence slowly improving throughout the upcoming quarter and next financial year



Net sales increased 2% compared to last year driven by price increases, however largely offset by declining volumes, and growth in Eastern markets

Group sales development



Segment 1 Own Stores & Resellers: Q3 & YTD January 22/23

Sales development by geography in Segment 1

- Q3 and YTD revenue decreased by 3% and 2% respectively, primarily impacted of currency development and declining volume.
- Sales to consumers normalized after the high sales during COVID-19.
- Sales to professional customers were higher in Norway, Sweden and Poland, but lower in Denmark.
- EBIT driven by unfavorable customer mix with lower sales to consumers, combined with large increases in the price of raw materials, energy and transport.

mDKK	YTD Jan 21/22	YTD Jan 22/23
Revenue	1.327	1.298
EBIT	142	7
EBIT-margin %	11%	1%

Q3 22/23

Revenue (mDKK)	Q3 21/22	Currency	Organic Growth	Q3 22/23	Reported Growth
Denmark	135	0%	-11%	120	-11%
Sweden	98	-8%	7%	97	-1%
Norway	46	-5%	10%	49	5%
Poland	56	-1%	2%	56	1%
Other	30	-1%	8%	32	7%
Total	365	-3%	0%	354	-3%

YTD JAN 22/23

Revenue (mDKK)	YTD Jan 21/22	Currency	Organic Growth	YTD Jan 22/23	Reported Growth
Denmark	489	0%	-7%	456	-7%
Sweden	381	-5%	3%	372	-2%
Norway	172	-1%	5%	178	4%
Poland	189	-3%	5%	192	2%
Other	96	1%	2%	100	3%
Total	1.327	-2%	0%	1.298	-2%

Segment 2 DIY: Q3 & YTD January 22/23

Sales development by geography in Segment 2

- Q3 and YTD revenue decreased by 8% and 7% respectively, driven by currency development and declining volume.
- The reduction in EBIT can be attributed to increasing costs for raw materials and transportation.
- Price increases have been executed with positive impact on future periods. Combined with the expectations of declining raw materials prices and transport costs the margin is estimated to catch up within a 6-12 months.

mDKK	YTD Jan 21/22	YTD Jan 22/23
Revenue	273	253
EBIT	11	-10
EBIT-margin %	4%	-4%

Q3
22/23

Revenue (mDKK)	Q3 21/22	Currency	Organic Growth	Q3 22/23	Reported Growth
Unicell Nordic	40	-3%	-16%	33	-19%
Unicell international	32	-2%	10%	33	8%
Total	72	-3%	-5%	66	-8%

YTD
JAN
22/23

Revenue (mDKK)	YTD Jan 21/22	Currency	Organic Growth	YTD Jan 22/23	Reported Growth
Unicell Nordic	150	-3%	-7%	135	-10%
Unicell international	123	-3%	-1%	118	-4%
Total	273	-3%	-4%	253	-7%

Segment 3 Eskaro Group AB: Q3 & YTD January 22/23

Sales development by geography in Segment 3

- Revenue increased in Q3 and YTD by 18% and 28%, due to currency and organic growth driven by price increases. In Russia and Belarus, the demand for locally produced goods increased.
- Ukraine remained significantly affected by the war and revenue declined by more than 40% compared to last year. The performance was, however, better than expected.
- EBIT driven by favorable currency development in Russia and Belarus. In addition to price increases executed to compensate for increases in raw

mDKK	YTD Jan 21/22	YTD Jan 22/23
Revenue	304	389
EBIT	-1	52
EBIT-margin %	0%	13%

Q3 22/23

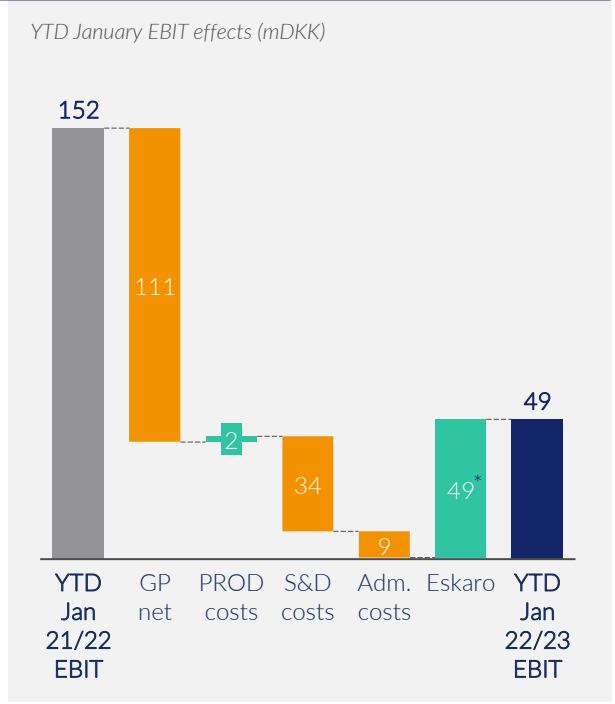
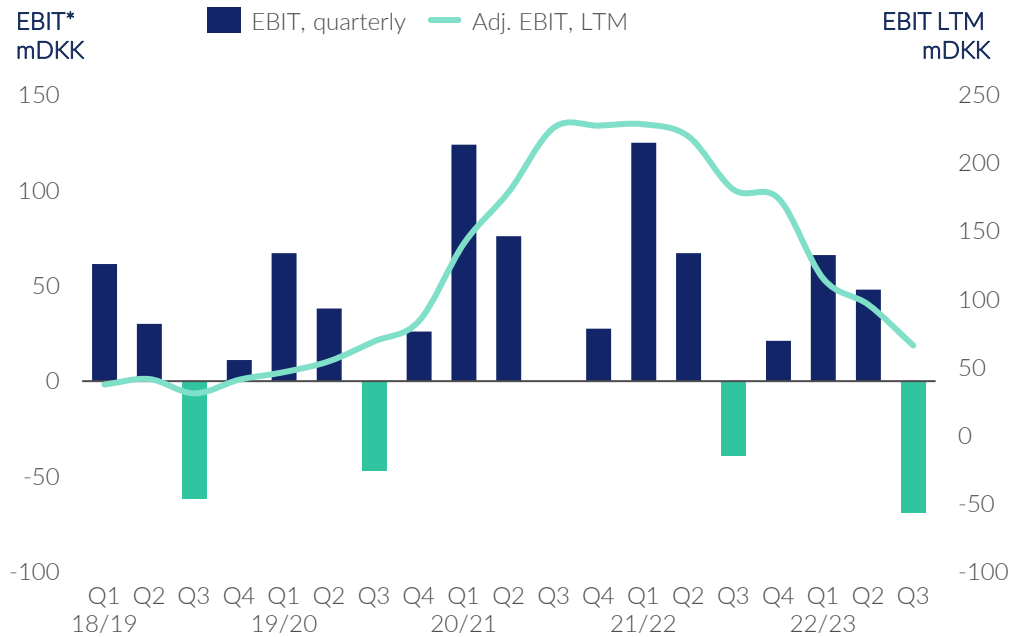
Revenue (mDKK)	Q3 21/22	Currency	Organic Growth	Q3 22/23	Reported Growth
Russia	27	33%	33%	45	66%
Ukraine	27	-11%	-41%	13	-52%
Belarus	9	14%	48%	14	62%
Estonia	7	0%	11%	8	11%
Other	4	0%	64%	8	64%
Total	74	10%	9%	88	18%

YTD JAN 22/23

Revenue (mDKK)	YTD Jan 21/22	Currency	Organic Growth	YTD Jan 22/23	Reported Growth
Russia	107	55%	41%	209	96%
Ukraine	104	-6%	-37%	59	-43%
Belarus	39	17%	28%	56	45%
Estonia	28	0%	8%	30	8%
Other	26	2%	29%	35	31%
Total	304	19%	9%	389	28%

EBIT impacted by the uncertainty in the global economy, unfavorable customer mix and higher cost levels

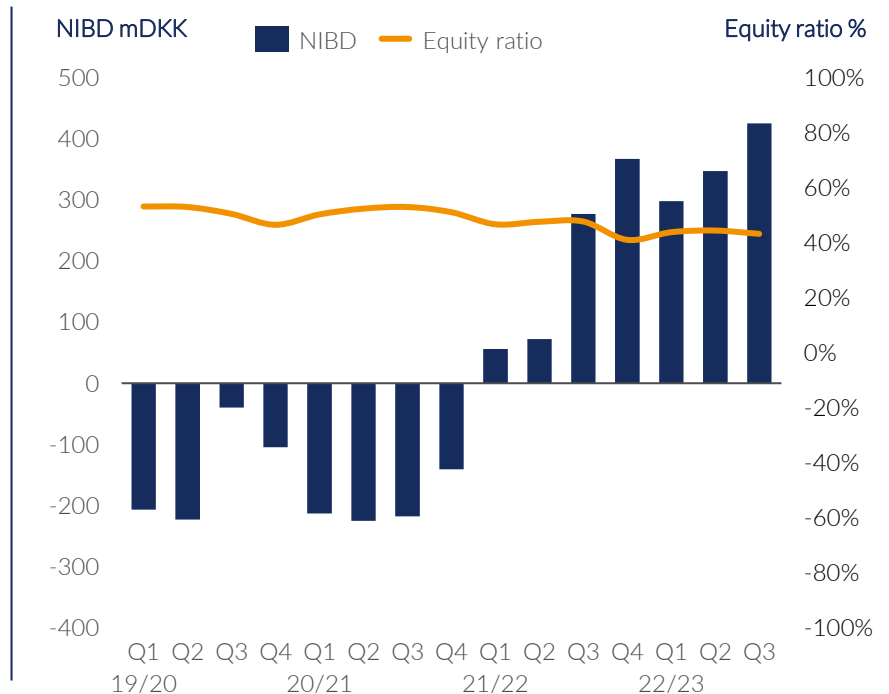
Group EBIT development



NIBD impacted by timing effects of working capital, lower earnings and CAPEX investments

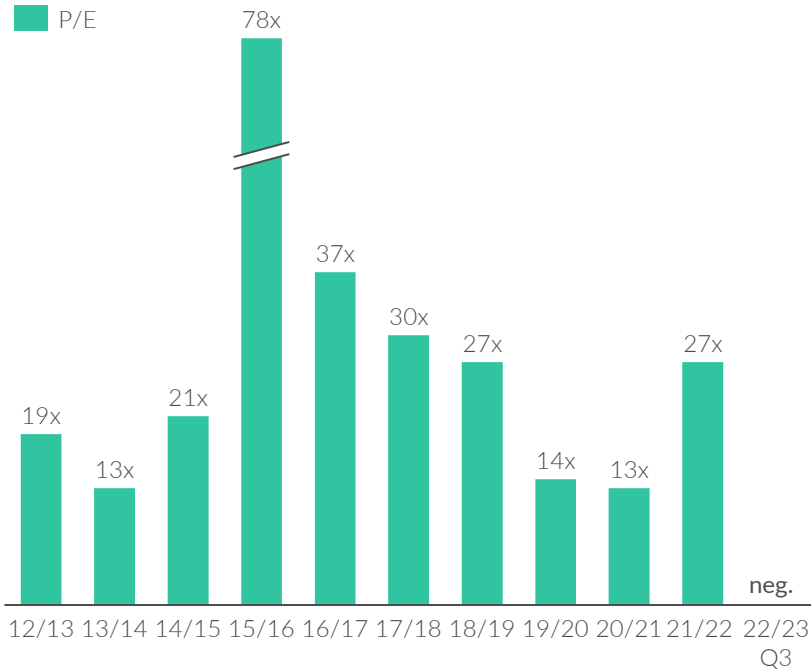
Financial solidity

- 1** | NIBD development compared to last quarter is driven by timing in working capital, hence inventory build-up to secure supply
- 2** | NIBD impacted by the lower earnings level and payout of dividends of 30mDKK
- 3** | NIBD impacted by investments in factories and M&A 21/22

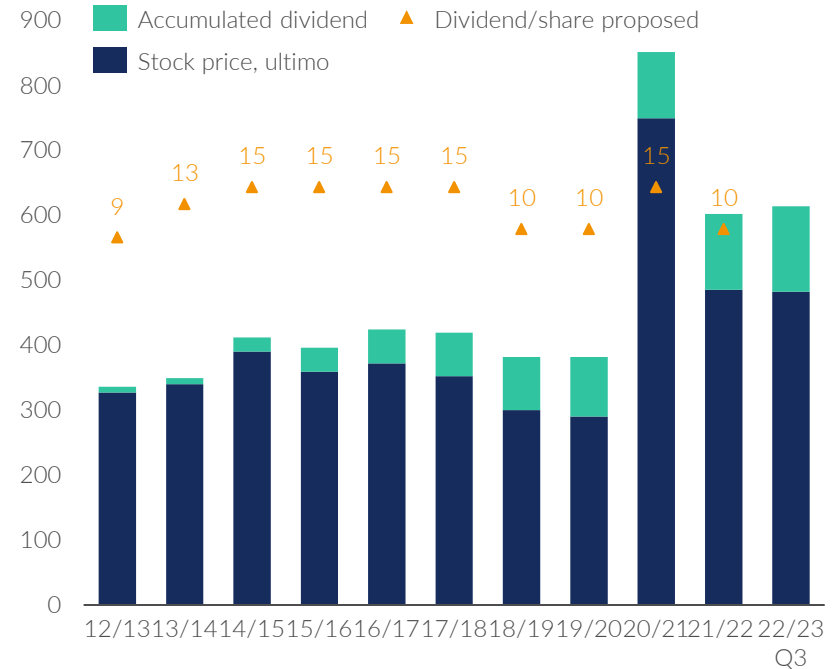


Price/earnings ratio driven mainly by write-downs related to Eskaro and the lower earnings

Development in price/earnings

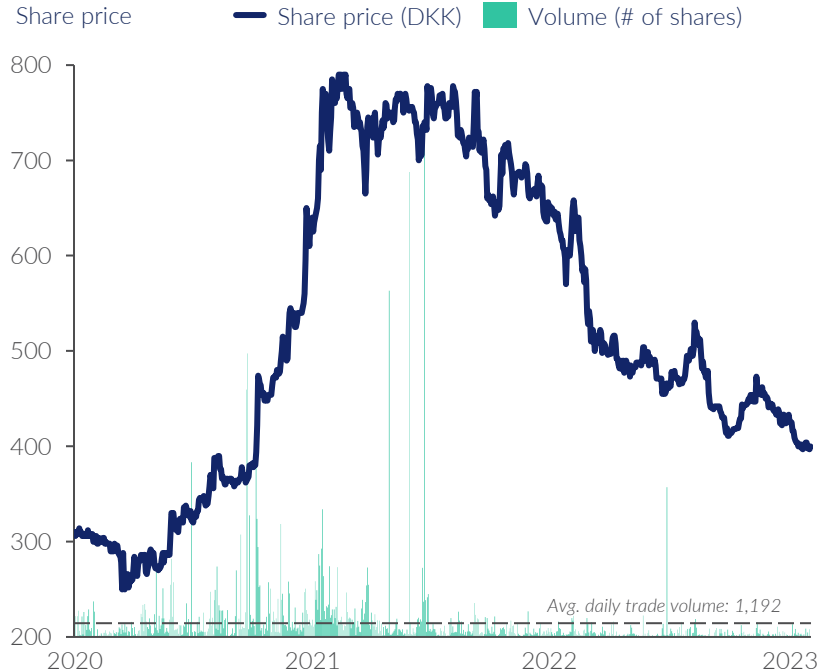


Stock price incl. reinvested dividends (DKK)

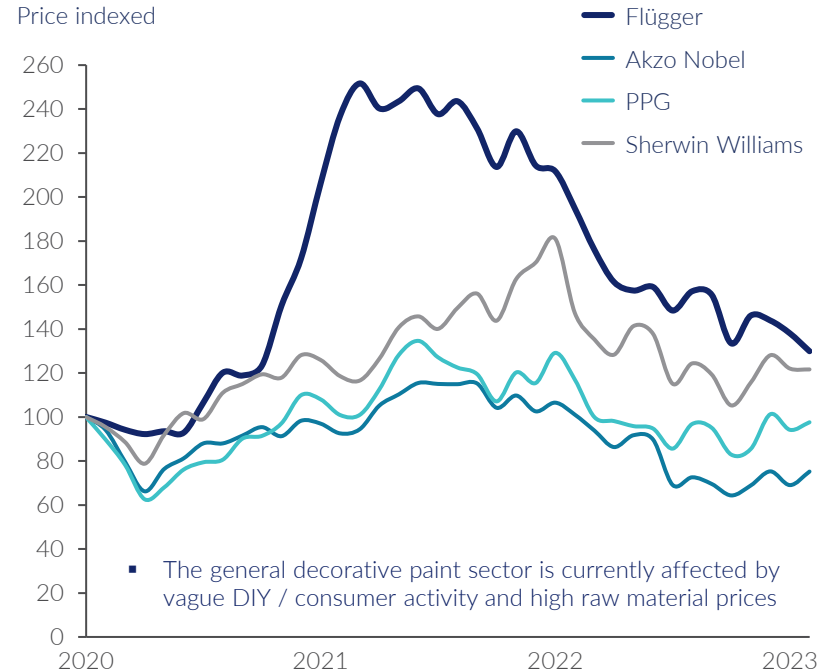


Share price development

Flügger's share price development



Flügger's relative share price development (indexed)



2022/23 Guidance: Revenue of 2.500m-2.700m and EBIT of 50-80m

Financial guidance confirmed as of Q3-22/23 announcement

Flügger group A/S

2023/2 - Delårsrapport 1.-3. kvartal 2022/23

15.3.2023 11:10:36 CET | Flügger group A/S | Delårsrapport/Periodemeddelelse (Q1 og Q3)

Indtjeningen på de vesteuropæiske markeder har i perioden været negativt ramt af aftagende volumener kombineret med ekstraordinære høje priser på råvarer, energi og transport. Råvarepriserne formodes dog at have toppet i november 2022.

De østeuropæiske markeder er fortsat påvirkede af krigen i Ukraine, men som følge af valutaudvikling og højere salgspriser var indtjeningen stigende i 1.-3. kvartal. Der er fortsat betydelig usikkerhed om fremtiden på disse markeder.

Flüggers omsætning i regnskabsårets første 9 måneder var 2% højere end samme periode året før til trods for volumenfald. Dette er et resultat af stigende salgspriser samt vækst i Østeuropa.

Marginen forventes fortsat i bedring mod slutningen af regnskabsåret. Her forventes råvarepriserne at have stabiliseret sig, samtidigt med at stigninger i salgspriserne begynder at slå igennem.

Driftsindtjeningen (EBIT) blev 49 mio. DKK for årets første 9 måneder, hvilket er 103 mio. DKK lavere end året før. Forventningerne til året er uændrede. Driftsindtjeningen forventes i intervallet 50-80 mio. DKK, mens omsætningen forventes i intervallet 2.500-2.700 mio. DKK.

CEO Sune Schnack udtaler:

"Vi har et godt momentum blandt de professionelle, hvorimod salget til konsumenterne er vigende. Konkurrencen er blevet mere intens, men vi ser, at vores vedholdende kundefokus har en effekt i markedet.

Vores egne analyser indikerer samtidig, at indtjeningen ramte bunden i november 2022, hvorfor vi forventer en langsom bedring i det kommende regnskabsår.

Jeg vil også benytte lejligheden til at takke vores medarbejdere, kunder og aktionærer for samarbejdet og indsatsen i det seneste kvartal."

Der henvises til vedhæftede delårsrapport.

Med venlig hilsen

Flügger group A/S

- Company announcement

Guidance unchanged from update 11 November 2022

Revenue

2,500m – 2,700m

EBIT

50m – 80m
Previous range 100m-150m

Thank
you for
listening

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for any further
questions or visit
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Flügger COLORS
THAT MATTER

