

The background is an abstract, fluid composition of colors. It features a deep blue base with swirling patterns of white, light blue, and bright yellow. The colors appear to be mixed together, creating a sense of movement and depth. The overall effect is reminiscent of a marbled paper or a liquid paint splash.

Flügger Group Investor presentation

Q4 2022/23

Flügger at a glance

Key figures FY 2022/23

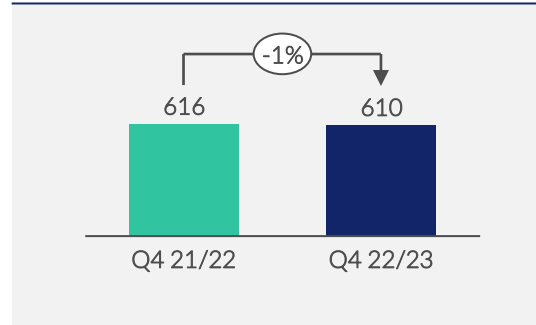
Revenue mDKK 2.550	EBIT mDKK 43
Full-time employees 2.234	Markets 17
No. factories 12	No. stores 354

Flügger's business model

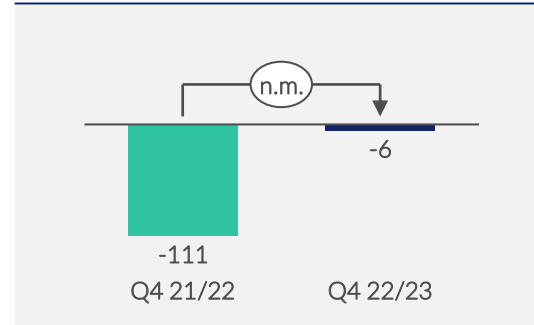


Q4 22/23 highlights

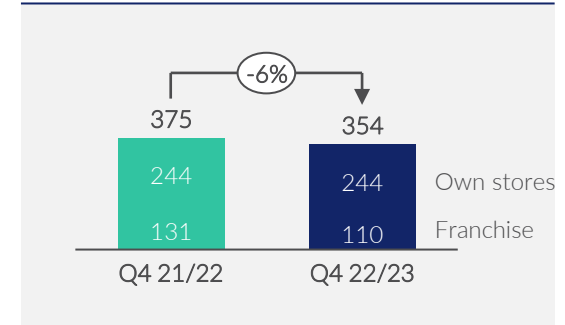
Revenue (mDKK)



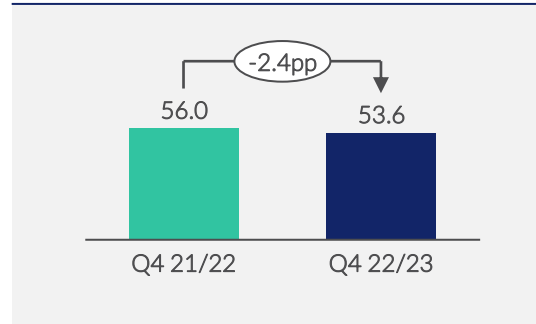
EBIT (mDKK)



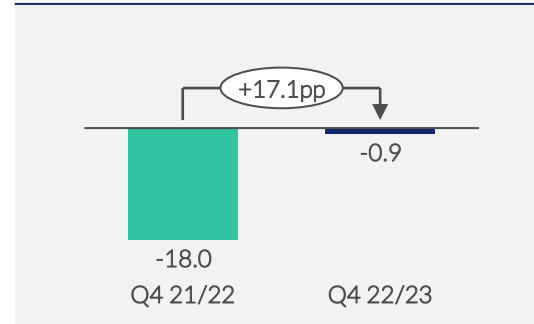
Own & franchise stores (#)



Gross Margin (%)



EBIT-margin (%)

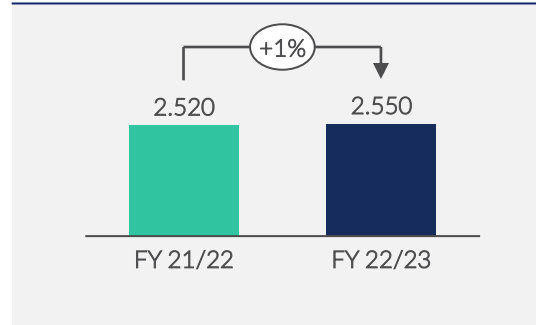


ROCE, LTM (%)

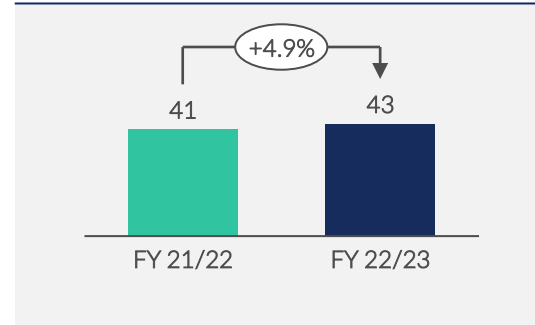


FY 22/23 highlights

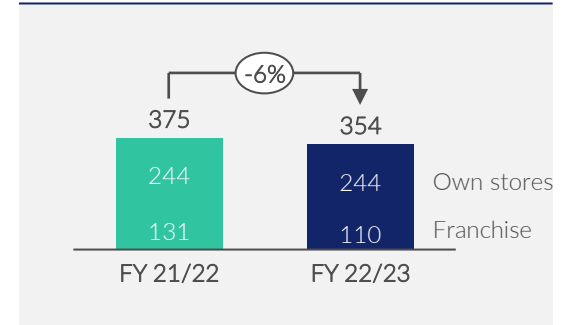
Revenue (mDKK)



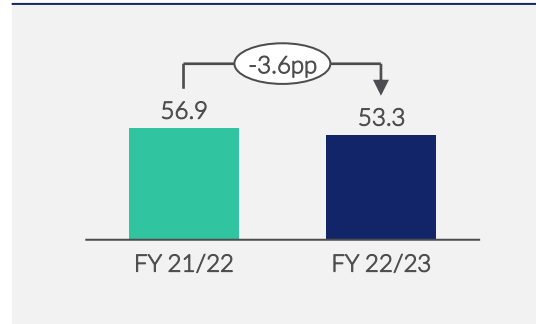
EBIT (mDKK)



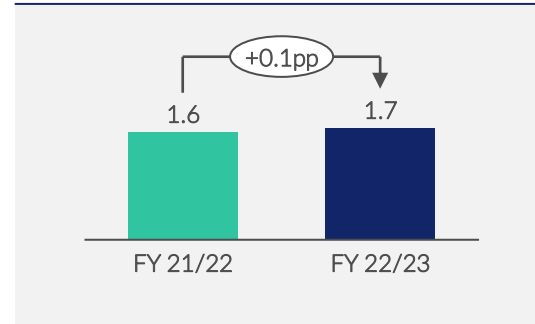
Own & franchise stores (#)



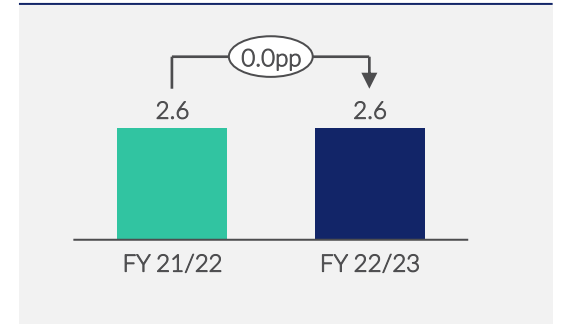
Gross Margin (%)



EBIT-margin (%)



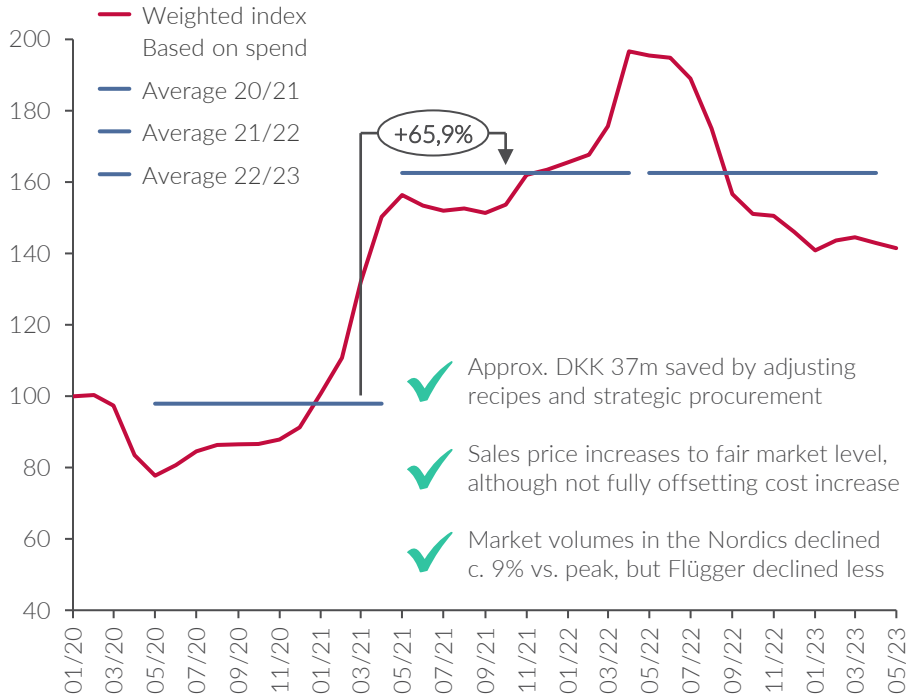
ROCE, LTM (%)



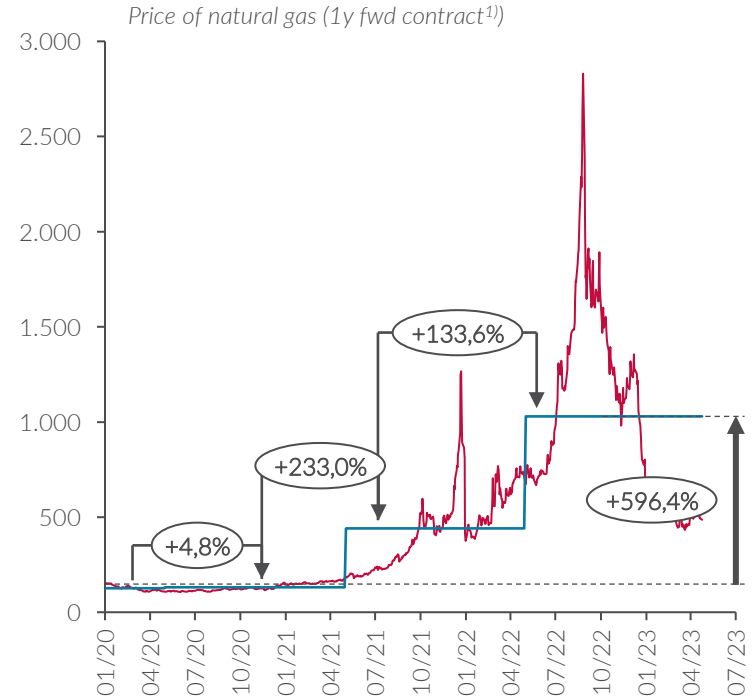
Decline in raw material prices, but still at high historical level

The sharp increase beginning 2022/23 was not fully passed on in sales prices

Chemicals market impacts c. 40% of Flügger raw material costs

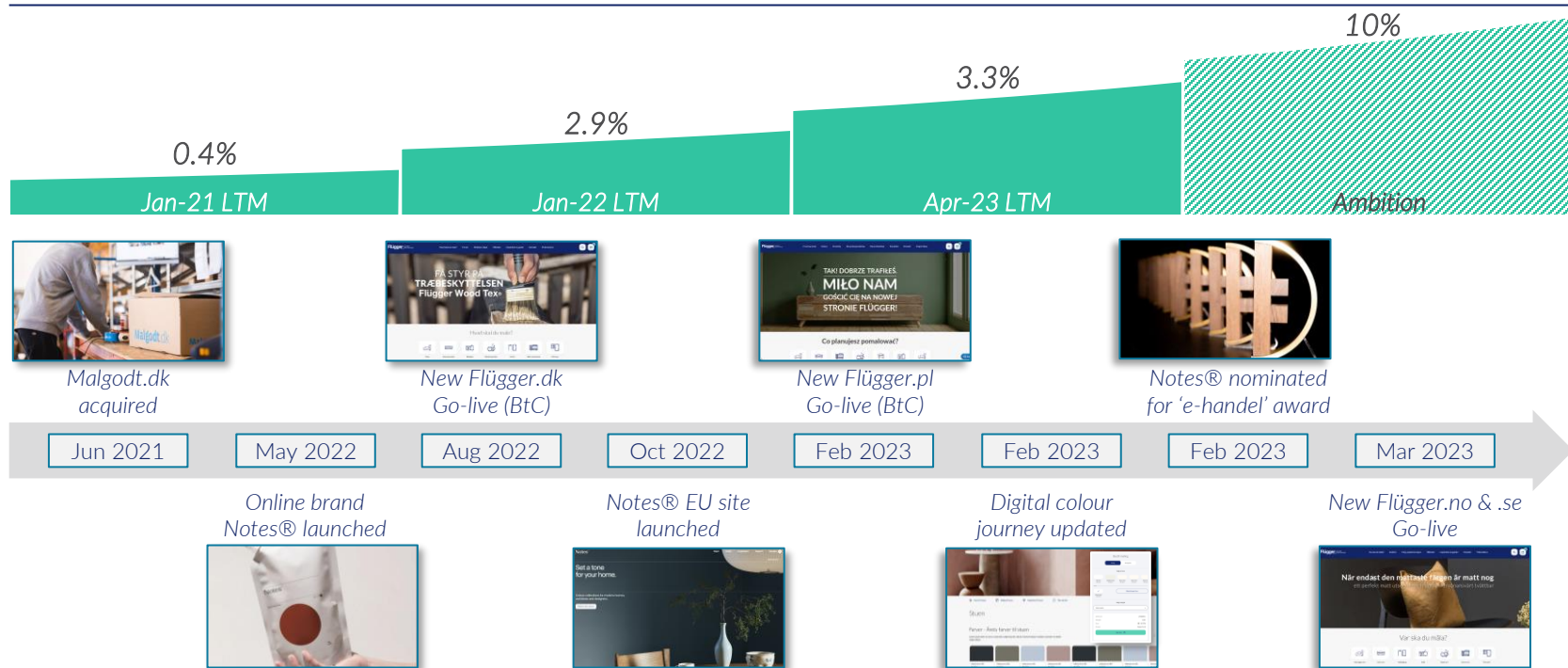


Gas/energy impacts c. 15% of raw materials costs



Good e-com traction despite tough markets conditions, and in 2022/23 the commercial footprint expanded with BtC e-com across Nordics and Poland

Selected achievements (among a wide range of many great ones)



Focus on core business

In-house wallpaper brand divested

Fiona[®]
wall design


Divested to

TTF **TAPET**
Borås **terminalen**

April 2023

Flügger Lithuania integrated

Integration of UAB Daniški dažai
(acquired Flügger distributor)




Adjusting Eskaro to circumstances



Closed circuit

Low activity

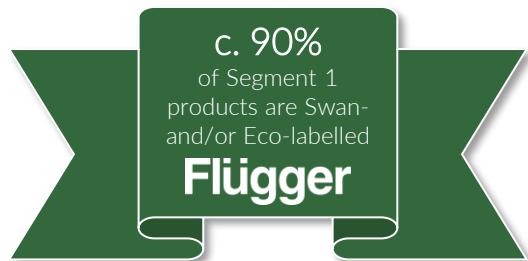


Product collaborations with Segment 1 & 2

Intensified focus on sustainability – 2024 goal already reached!

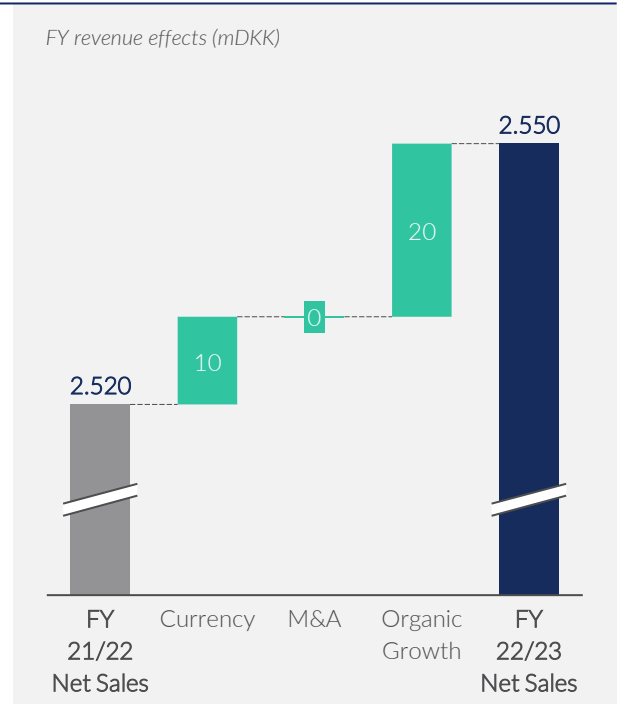
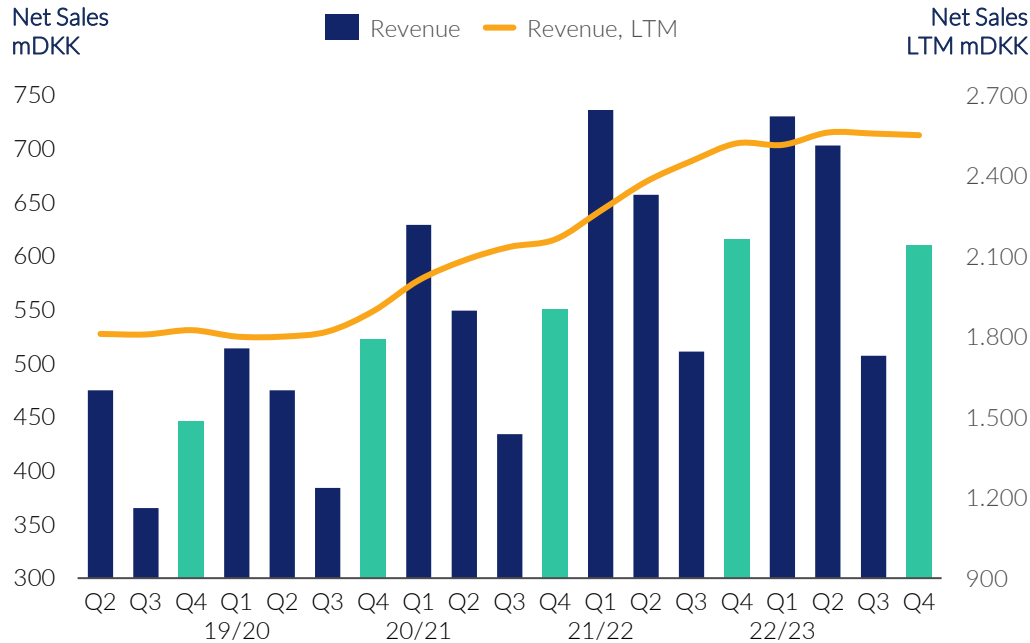
82%

of all wet goods sold by Flügger is labelled with Nordic Swan or EU-Ecolabel.



Net sales increased 1% compared to last year driven by price increases and currency headwind in Eastern markets offset by declining volumes

Group sales development



Segment 1 Own Stores & Resellers: Q4 & FY 22/23

Sales development by geography in Segment 1

- Q4 and YTD revenue decreased by 4% and 3% 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	FY 21/22	FY 22/23
Revenue	1.761	1.700
EBIT	159	-13
EBIT-margin %	9%	-1%

Q4 22/23	Revenue (mDKK)	Q4 21/22	Currency	Organic Growth	Q4 22/23	Reported Growth
	Denmark	158	-1%	-12%	137	-13%
	Sweden	120	-7%	0%	111	-7%
	Norway	59	-14%	8%	55	-6%
	Poland	63	0%	2%	65	2%
	Other	34	-2%	0%	34	-2%
	Total	434	-4%	-3%	402	-7%

FY 22/23	Revenue (mDKK)	FY 21/22	Currency	Organic Growth	FY 22/23	Reported Growth
	Denmark	647	0%	-8%	594	-8%
	Sweden	501	-6%	2%	484	-4%
	Norway	231	-4%	5%	233	1%
	Poland	252	-2%	4%	257	2%
	Other	130	0%	2%	132	2%
	Total	1.761	-2%	-1%	1.700	-3%

Segment 2 DIY: Q4 & FY 22/23

Sales development by geography in Segment 2

- Q4 and YTD revenue decreased by 2% and 5% 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	FY 21/22	FY 22/23
Revenue	374	347
EBIT	14	-9
EBIT-margin %	4%	-3%

Q4 22/23	Revenue (mDKK)	Q4 21/22	Currency	Organic Growth	Q4 22/23	Reported Growth
	Unicell Nordic	54	-3%	-2%	51	-5%
Unicell international	46	-1%	-8%	43	-9%	
Total	100	-2%	-5%	94	-7%	

FY 22/23	Revenue (mDKK)	FY 21/22	Currency	Organic Growth	FY 22/23	Reported Growth
	Unicell Nordic	204	-3%	-6%	186	-9%
Unicell international	170	-2%	-3%	161	-5%	
Total	374	-2%	-5%	347	-7%	

Segment 3 Eskaro Group AB: Q4 & FY 22/23

Sales development by geography in Segment 3

- Revenue increased in Q4 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 materials.

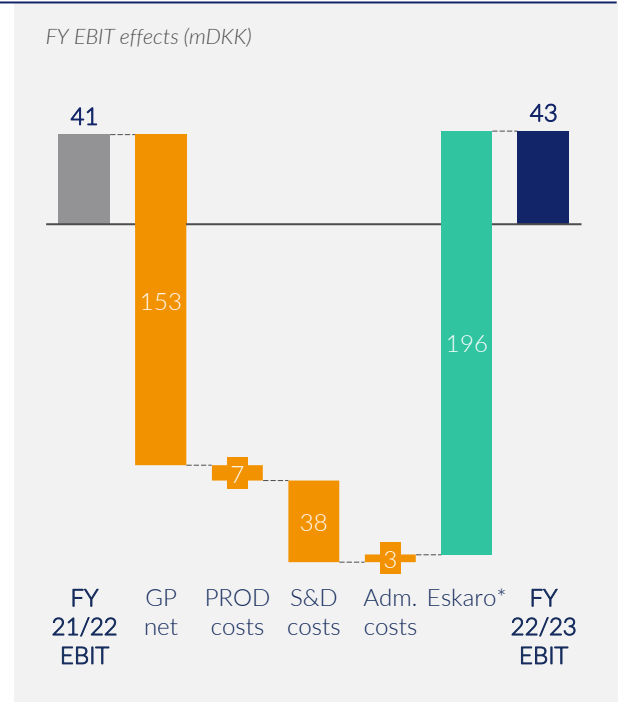
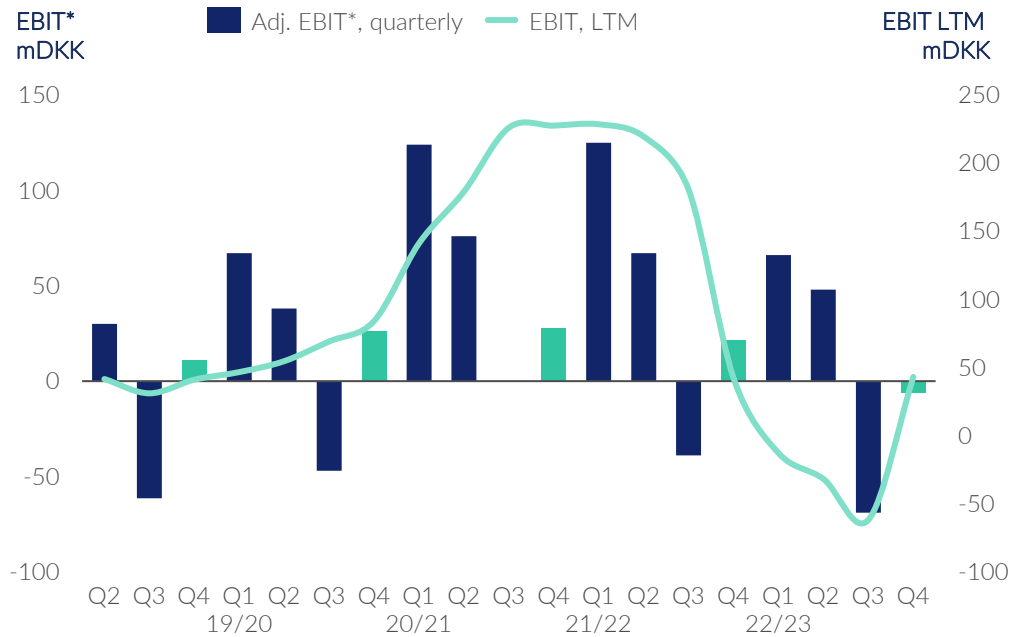
mDKK	FY 21/22	FY 22/23
Revenue	385	502
EBIT	-132	65
EBIT-margin %	-34%	13%

Q4 22/23	Revenue (mDKK)	Q4 21/22	Currency	Organic Growth	Q4 22/23	Reported Growth
	Russia	35	17%	17%	47	34%
	Ukraine	10	-50%	156%	21	106%
	Belarus	13	5%	22%	17	27%
	Estonia	9	0%	19%	11	19%
	Other	15	-1%	35%	18	34%
	Total	82	2%	38%	114	40%

FY 22/23	Revenue (mDKK)	FY 21/22	Currency	Organic Growth	FY 22/23	Reported Growth
	Russia	143	45%	35%	256	80%
	Ukraine	121	-10%	-20%	80	-30%
	Belarus	52	14%	26%	73	40%
	Estonia	42	0%	11%	41	11%
	Other	27	1%	31%	52	32%
	Total	385	16%	15%	502	31%

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

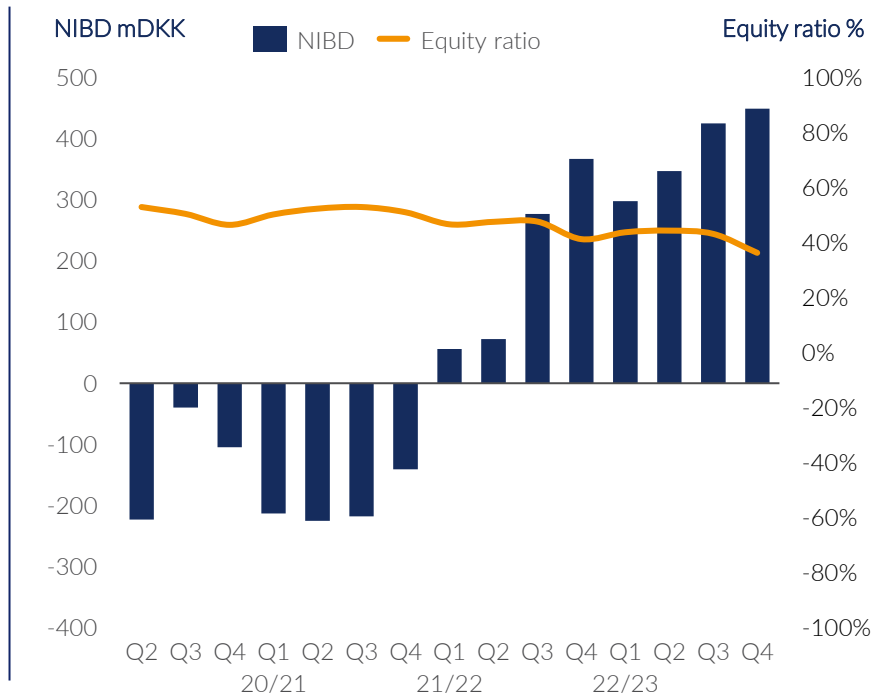
Group EBIT development



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

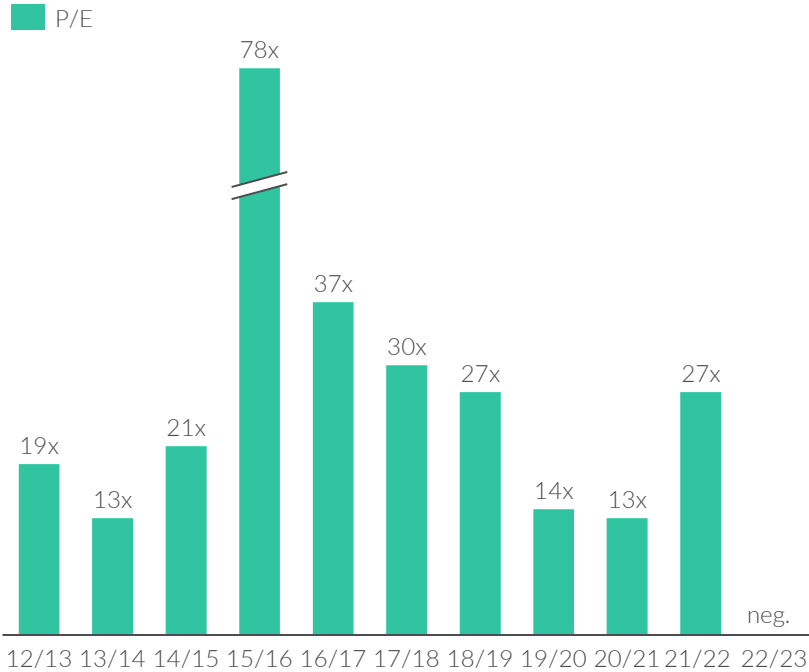
Financial solidity

- 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

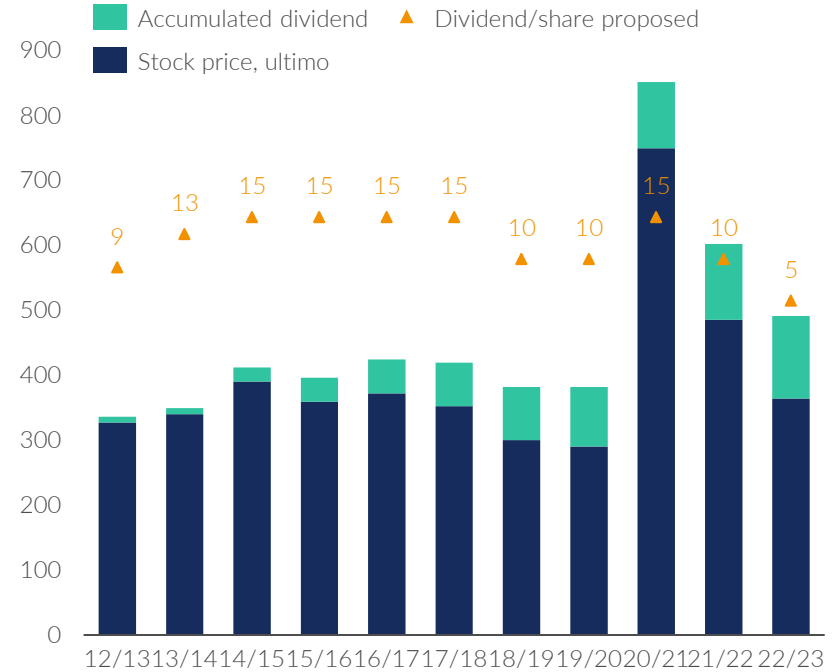


Price/earnings ratio driven mainly by write-downs related to Eskaro and the lower earnings

Development in price/earnings

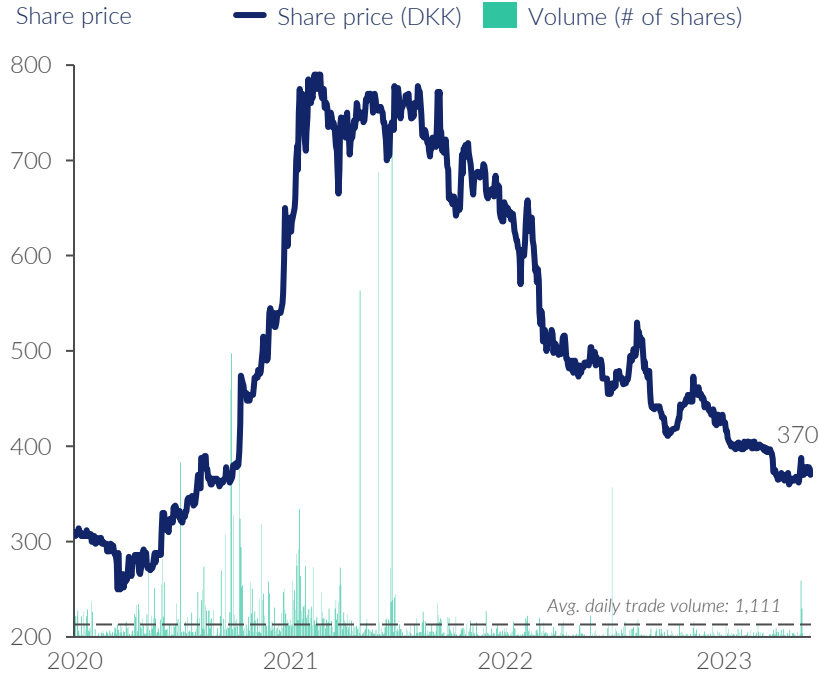


Stock price incl. reinvested dividends (DKK)

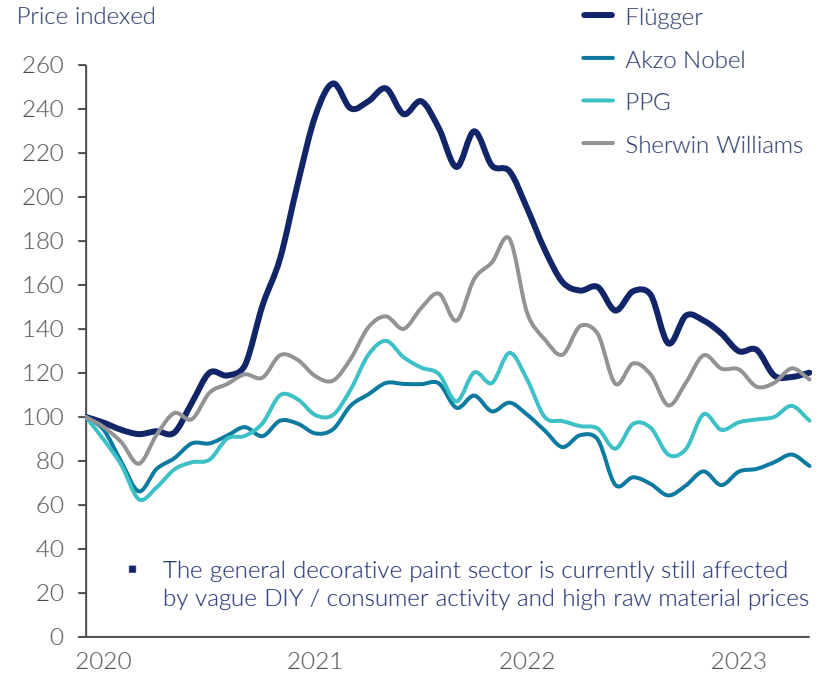


Share price development

Flügger's share price development



Flügger's relative share price development (indexed)



2023/24 Guidance: Revenue of 2,500m–2,700m and EBIT of 60–120m

Financial guidance as per annual report announcement

Flügger group A/S

2023/5 - Året blev præget af inflation, høje omkostninger - og styrket kundefokus

28.6.2023 13:37:16 CEST | Flügger group A/S | Årsrapport

I 2022/23 blev Flügger ramt hårdt af stigende omkostninger til råvarer, energi og transport samt ændret kundemiks, hvilket satte bundlinjen under pres.

Toplinjen på 2.550 mio. DKK var på niveau med året før og inden for de udmeldte forventninger på 2.500 - 2.700 mio. DKK. Driftsresultatet (EBIT) på 43 mio. DKK var på niveau med det foreløbige resultat oplyst 12. maj 2023.

For det kommende regnskabsår 2023/24 forventes en omsætning i niveauet 2.500 - 2.700 mio. DKK. Hovedmarkederne forventes fortsat at være præget af vigende aktivitet, men prisstigninger, eksportsalg og nye kunder forventes at kompensere for faldet i volumen.

EBIT forventes i niveauet 60-120 mio. DKK, og dermed styrket i forhold til regnskabsåret 2022/23. Bruttomarginen forventes langsomt at vende tilbage det historiske niveau, når omkostninger til råvarer og energi reduceres kombineret med gennemførte prisstigninger i salgspriserne.

Som følge af krigen i Ukraine og påvirkningerne fra sanktioner i Rusland og Belarus, er der betydelig usikkerhed om omsætning og resultat for segment 3. Flügger arbejder fortsat på at afhænde selskaberne i Rusland og Belarus.

CEO i Flügger group A/S, Sune Schnack, udtaler:

"Indtjeningen i vores kerneforretning har været under hårdt pres, særligt fra stigende råvarepriser, valutakurser og økonomisk afmatning. Vi er glade for, at vi alligevel har været i stand til at fastholde nuværende kunder og tiltrække nye, selvom aktiviteten hos både private og professionelle kunder har været faldende."

"I segment 3 er EBIT umiddelbart positiv for det afsluttede finansår, hvilket dog sker i et relativt lukket kredsløb. Da vi samtidig har nedskrevet vores russiske forretning med 132 mio. DKK, er den samlede investering tabsgivende for Flügger. Vi ser ikke en fremtid på det russiske marked og arbejder fortsat på at afhænde vores forretning her på ansvarlig vis og inden for de af myndighederne fastsatte rammer."

"Både i det forgangne og det kommende finansår fokuserer vi således på vores kerneforretning og hvordan vi kan hjælpe vores professionelle kunder gennem det, der for mange er svære måneder og år. Engagementet fra Flüggers medarbejdere, kunder og aktionærer har været imponerende i en omskiftelig tid. Vi er forsigtigt optimistiske på det kommende år, hvor vi fortsætter med at sætte kunderne først, så vi også fremover står solidt med vores mix af professionelle og private kunder." slutter Sune Schnack.

- Company announcement



Guidance for 2023/24

Revenue

2,500m – 2,700m

EBIT

60m – 120m



Thank
you for
listening

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



Flügger COLORS
THAT MATTER

