

Company Announcement No. 4/2024

# Interim Financial Report 2024

For the period  
1 January - 31 March 2024

Brødrene A & O Johansen A/S  
Rørvang 3, DK-2620 Albertslund, Denmark  
CVR no. 58 21 06 17



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## Follow us



## Webcast

AO will host a webcast for investors and analysts on Thursday, 25 April 2024 at 1:00 p.m. CET. The webcast and the presentation can be accessed from AO's investor website:

<https://ao.dk/om-ao/investor-relations>

Webcast access numbers for investors and analysts:

DK: +45 78 76 84 90

SE: +46 31-311 50 03

UK: +44 20 3769 6819

US: +1 646 787 0157

PIN for all countries: 735822

Link to webcast:

<https://ao.eventcdn.net/events/interim-report-q1-2024>



# Highlights for Q1 2024

- As expected the market activity in Q1 was lower than last year. Weather conditions in January meant a slow start to the year, in addition this quarter had fewer sales days compared to 2023 due to the timing of Easter. Q1 Revenue and earnings were in line with expectations.
- Roll-out of EA range continued in Q1. The AO store in Horsens started selling this range of products, and The EA store in Brøndby started selling AO's range of products. The roll-out will continue, and an increasing share of the EA range is sold through AO stores.
- In the Danish B2B business AO continued to gain market shares.
- The B2C segment posted growth for the second quarter in a row.
- AO has made environmental data available for customers and customers can now rely on assistance from AO to prepare their own Scope 3 reporting. We continue to make it easier for our customers to do business.

“

*Going into 2024 I expected the first quarter to be challenging. AO is not a quarterly driven company, but I look forward to the rest of 2024 where we should return to growth again. AO has established a solid foundation for growth".*

Niels A. Johansen, CEO

## Revenue (MDKK)



## EBITDA (MDKK)



# AO acquires the Stockholm based Svenska VA-Grossisten and enters the capital area of Sweden



The acquisition marks an important step in the geographical expansion of AO Sweden. With a foothold in the Stockholm area AO aims to be able to serve the nationwide customers in Sweden.

Svenska VA-Grossisten AB is run out of a site in Vallentuna, just north of Stockholm. The company was founded at the end of 2022 and in the first financial year achieved a revenue of SEK 87m (DKK 57m) and an EBITDA of SEK 14m (DKK 9m).

CEO Niels A. Johansen says:

*“With the acquisition of Svenska VA-Grossisten, we not only gain a new team and a new site to our business in AO Sweden, but we also gain a foothold in the important capital area of Sweden. Today, AO Sweden is a market leader within water and drainage, in the southern and western area of Sweden. By expanding our business in Sweden, we not only aim to serve the customers in Stockholm but also to be able to serve the nationwide customers in Sweden.”*

### Financial consequences of the acquisition

- The acquisition price is made up of a fixed amount of SEK 75m and a variable amount of SEK 15m in the form of performance based earn-out agreements.
- The acquisition is cash financed.
- The acquisition is expected to be finalised during Q2 of 2024

### 2024 guidance

The acquisition is not expected to have significant effect on our 2024 guidance.

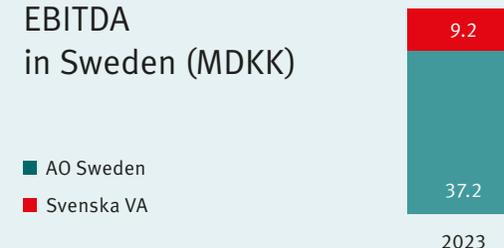
Map of our stores in Sweden:



Revenue in Sweden (MDKK)



EBITDA in Sweden (MDKK)



# Expectations for the year

The development in Q1 was in line with the initial expectations for 2024 detailed in the annual report for 2023. Revenue and earnings were impacted by a slow start to 2024 driven by weather conditions as well as the timing of Easter.

## Revenue

Revenue for 2024 is expected to be in the region of DKK 5,000-5,200m. After a slow start revenue development is expected to be flat in Q2 and to return to growth in the second half of 2024. The effect from acquisition of Svenska VA Grossisten has not been included in guidance but is not expected to be significant for 2024.

## EBITDA

EBITDA for 2024 is expected to be in the range of DKK 340-370m, corresponding to an EBITDA margin of 6.5%-7.4%.

## EBT

EBT is expected to be in the region of DKK 200-230m, corresponding to an EBT margin of 3.8%-4.6%.

Albertslund, 24 April 2024

**Niels A. Johansen** CEO  
**Per Toelstang** CFO/Deputy CEO

## Guidance for 2024 is unchanged

Revenue, (MDKK)

**5,000 – 5,200**

EBITDA, (MDKK)

**340 – 370**

EBITDA margin of 6.5% to 7.4%.

EBT, (MDKK)

**200 – 230**

EBT margin 3.8% to 4.6%

# Financial and operating data for the AO Group

(mDKK)	Q1 2024	Q1 2023	Full Year 2023
<b>Key figures</b>			
Consolidated revenue	1,250.9	1,404.3	5,261.0
Gross margin	292.9	333.9	1,234.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	68.2	121.9	405.3
Profit or loss before financial income and expenses (EBIT)	40.6	89.4	292.2
Financial income and expenses, net	(6.4)	(6.1)	(30.4)
Profit or loss before tax (EBT)	34.2	83.3	261.8
Tax on profit or loss for the period	(7.5)	(18.2)	(55.7)
Net profit or loss for the period	26.7	65.2	206.1
Non-current assets	1,835.2	1,731.9	1,805.9
Current assets	1,470.2	1,692.1	1,436.5
Total assets	3,305.4	3,424.0	3,242.4
Share capital	28.0	28.0	28.0
Equity	1,400.0	1,329.1	1,475.3
Non-current liabilities	524.6	534.6	535.2
Current liabilities	1,380.8	1,560.3	1,231.9
Cash flow from operating activities	(54.0)	(154.0)	346.4
Cash flow from investing activities	(51.4)	(31.2)	(130.2)
Of which investments in property, plant and equipment, net	(47.9)	(22.7)	(94.8)
Cash flow from financing activities	60.5	150.6	(161.7)
Cash flow for the period	(44.8)	(34.6)	54.5

	Q1 2024	Q1 2023	Full Year 2023
<b>Financial ratios*</b>			
Gross profit margin	23.4%	23.8%	23.5%
EBITDA margin	5.5%	8.7%	7.7%
Profit margin	3.2%	6.4%	5.6%
Return on capital employed**	1.2%	2.7%	8.9%
Return on equity**	1.9%	4.8%	14.3%
Net gearing	2.0	1.7	1.3
Solvency ratio	42.4%	38.8%	45.5%
Book value	50.0	47.5	52.7
Share price at the end of the period	75.9	81.1	70.3
Earnings per share (EPS Basic), DKK***	1.0	2.4	7.6
Diluted earnings per share (EPS-D), DKK***	1.0	2.4	7.6
Average number of employees	826	847	841
Average number of employees, incl. external temporary workers	897	918	912

\* Other financial ratios have been calculated in accordance with CFA Society Denmark's 'Recommendations and Financial Ratios'.

\*\* Not translated into full-year figures.

\*\*\* Basic EPS and diluted EPS have been calculated in accordance with IAS 33.

# Management's review

Revenue development was slightly better than initially expected in a quarter impacted by adverse weather conditions and timing of Easter. Earnings were impacted by lower sales volumes but in line with expectations. The B2C business achieved growth for the second quarter in a row.

## Revenue

Organic revenue development adjusted for number of working days was -6.6% (+3.3%), and revenue was DKK 1,251m (DKK 1,404m). Q1 revenue was heavily impacted by a slow start due to rough weather and due to the timing of Easter.

Revenue development at index 89 was in the high end of the range of the expectations for the first quarter (index 85-90).

## Gross profit

Gross profit ended at DKK 293m (DKK 334m) corresponding to a gross profit margin of 23.4% (23.8%). Especially in the projects market, price competition has put pressure on margins.

## External costs and staff costs

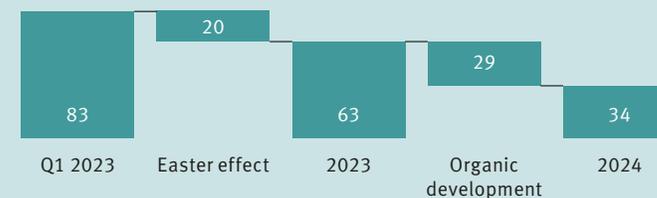
In total, external operating costs and staff costs made up DKK 224.7m or 18.0% of revenue (DKK 212.0m/15.1%). Development is driven by the full year effect of salary and cost inflation. Cost-control initiatives have been implemented but are countered by investments in future growth areas.

Number of FTEs has been reduced by 2.5% to 826 in Q1 compared to Q1 2023 (847).

## Revenue (MDKK)



## EBT (MDKK)



**EBITDA**

EBITDA ended at DKK 68m (DKK 122m), corresponding to an EBITDA margin of 5.5% (8.7%). Margins were under pressure from low sales and cost inflation.

**Financials**

Net financials amounted to DKK -6m (DKK -6m).

**Earnings before tax (EBT)**

EBT ended at DKK 34m (DKK 83m). Easter moving from Q1 in 2023 to Q2 in 2024 has an estimated earnings-impact of slightly less than DKK 20m.

**Income tax**

Income tax amounted to DKK -7m (DKK -18m), corresponding to an effective tax rate of 21.9% (21.8%).

**Earnings after tax (EAT)**

EAT ended at DKK 27m (DKK 65m).

**Equity**

At the end of the period, equity amounted to DKK 1,400m (DKK 1,329m). Thus, at the balance sheet date, the solvency ratio was 42.4% (38.8%), and the target of maintaining a solvency of more than 40% was achieved.

**Cash flows**

Average net working capital for the period was 6.7% of revenue for the last 12 months (8.2%). Working capital has thus returned to a normal level.

Cash flow from operating activities totalled DKK -54m (DKK -154m), which is an improvement of DKK 100m compared to last year. Q1 is normally a cash negative quarter for AO.

Change in receivables was DKK -83m (DKK -83m), mainly related to timing of payments.

Change in inventories contributed with a positive cash flow of DKK 8m (DKK -63m). Compared to same time last year, the inventory level has been reduced by DKK 180m.

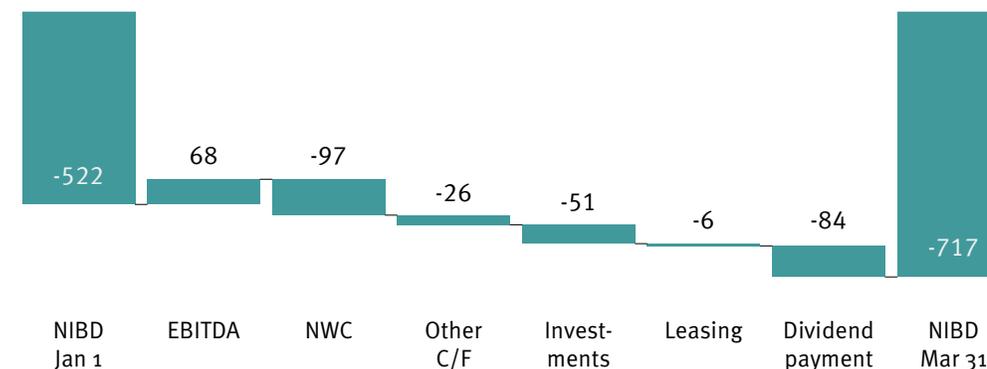
Cash flow from investing activities totalled DKK -51m (DKK -31m). Investment level was impacted by the purchase of additional area in connection with the central warehouse.

Cash flow from financing activities was DKK 61m (DKK 151m) reflecting dividend payouts and increased use of credit facilities.

Net interest bearing debt amounted to DKK 717m (DKK 854m) at period end. Financial gearing was 2.0 times EBITDA (1.7 times).



**Development in net debt**



# B2B Business Development

AO's B2B segment services the professional tradesmen as well as large construction companies out of 57 stores in Denmark and five stores in Sweden. In Denmark, AO is the wholesaler with the broadest product range serving more trades than our competitors. Roughly 70% of the revenue originates from repair and maintenance and 30% from projects. As a true omni-channel business almost half of the sales in B2B are digital sales. In adverse market conditions the B2B business continued to gain market shares within repair and maintenance.

## Revenue

Segment revenue was DKK 1,098m (DKK 1,259m) for the quarter. The development was in line with market development and guidance expectations. Weather conditions in the beginning of the year as well as the timing of Easter had an adverse impact on the Q1 revenue.

## Gross profit

Gross profit of DKK 250m (DKK 293m) corresponds to a profit margin of 22.8% (23.2%). Margins are impacted by price pressure on projects.

## Direct expenses

Direct expenses were kept stable at DKK 128m (DKK 125m). Impact from salary inflation have been absorbed. It is a priority for AO to retain the team needed to cater for future growth.

## EBITDA

Segment EBITDA ended at DKK 122m (DKK 168m).

Distribution of sales channels 2023



MDKK	Q1 2024	Q1 2023
<b>Revenue</b>	<b>1,098.0</b>	<b>1,258.9</b>
Cost of goods sold	(807.8)	(924.5)
<b>Product margin</b>	<b>290.2</b>	<b>334.4</b>
Distribution	(40.0)	(41.8)
<b>Gross profit</b>	<b>250.2</b>	<b>292.6</b>
Direct expenses	(127.9)	(124.8)
<b>EBITDA before indirect expenses</b>	<b>122.3</b>	<b>167.8</b>
<b>Key figures</b>		
Gross margin %	22.8%	23.2%
EBITDA %	11.1%	13.3%

# B2C Business Development

AO is the market leader within online home improvement DIY sales in Denmark. Sales are done out of 11 webshops operating on a shared back-end platform. After very strong sales during COVID lock-downs the market saw negative growth. The B2C segment returned to growth in Q4 2023 which has continued in Q1 2024. Increased scale of the B2C business will increase margins. B2C has remained profitable throughout the period with negative growth.

## Revenue

Segment revenue was DKK 153m (DKK 145m) for the period. Revenue from the orders placed during Easter is not included in Q1.

## Gross profit

Gross profit of DKK 43m (DKK 41m) corresponds to a profit margin of 27.9% (28.4%). The profit margin in the B2C segment was 5.1%-p higher than for the B2B business (5.2%-p).

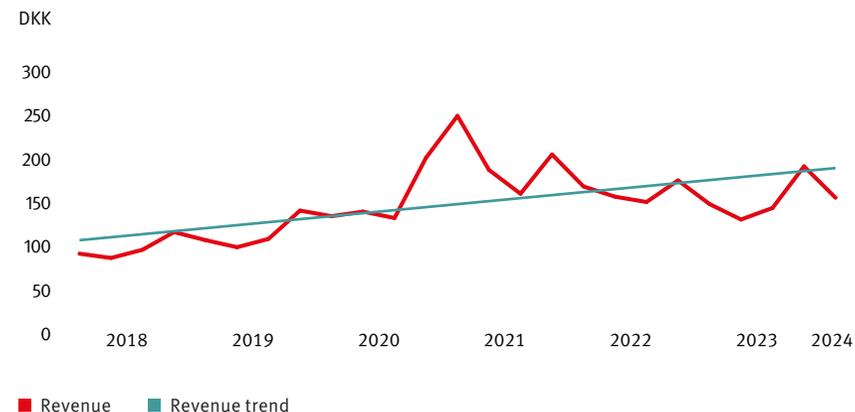
## Direct expenses

The expense level has been under pressure for cost and salary inflation but has been kept stable at DKK 34m (DKK 32m)

## EBITDA

Segment EBITDA ended at DKK 9m (DKK 9m). It is the ambition that the segment EBITDA margin should reach at least 10% which is to be achieved through growing the top line.

## B2C revenue per quarter\*



\* Growth is measured comparing the quarter to the same quarter last year.

MDKK	Q1 2024	Q1 2023
<b>Revenue</b>	<b>152.9</b>	<b>145.4</b>
Cost of goods sold	(98.5)	(93.2)
<b>Product margin</b>	<b>54.4</b>	<b>52.2</b>
Distribution	(11.7)	(10.9)
<b>Gross profit</b>	<b>42.7</b>	<b>41.3</b>
Direct expenses	(33.8)	(32.4)
<b>EBITDA before indirect expenses</b>	<b>8.9</b>	<b>8.9</b>
<b>Key figures</b>		
Gross margin %	27.9%	28.4%
EBITDA %	5.8%	6.1%

# Additional information

## Investor contacts

CEO Niels A. Johansen  
CFO, Deputy CEO Per Toelstang  
Head of IR Nicolaj Harmundal Petersen  
[IR@AO.dk](mailto:IR@AO.dk)

Brødrene A & O Johansen A/S  
Rørvang 3, DK-2620 Albertslund, Denmark  
CVR no. 58 21 06 17

## Financial calendar

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14 August 2024 **Interim Financial Report for the period 1 January - 30 June 2024**

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23 October 2024 **Interim Financial Report for the period 1 January - 30 September 2024**

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## Company announcements in 2024

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2024-02-21 No. 1 **Annual Report 2023**

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2024-02-21 No. 2 **Notice of Annual General Meeting 2024**

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2024-03-20 No. 3 **Annual General Meeting 2024**

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## Forward looking statements

This interim report contains statements relating to the future, including statements regarding AO's future operating results, financial position, cash flows, business strategy and future targets. Such statements are based on Management's reasonable expectations and forecasts at the time of release of this report. Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond AO's control. This may have the effect that actual results may differ significantly from the expectations expressed in the report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive conditions, supplier issues and financial and regulatory issues and IT failures.

# Management's statement

Today the Board of Directors and the Executive Board have discussed and approved the interim financial report of Brødrene A & O Johansen A/S for the period 1 January – 31 March 2024.

The interim financial report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 31 March 2024 and of the results of the Group's operations and cash flows for the period 1 January – 31 March 2024.

Further, in our opinion the Management's review includes a fair review of the development in the Group's operations and financial matters, the net profit or loss for the period and of the Group's financial position as a whole as well as a description of the most significant risks and elements of uncertainty facing the Group.

Albertslund, 24 April 2024

## Executive Board

Niels A. Johansen  
CEO

Per Toelstang  
CFO/Deputy CEO

Stefan Funch Jensen  
CTO

Lili Johansen  
CHRO

## Board of Directors

Henning Dyremose  
Chair

Erik Holm  
Deputy Chair

René Alberg

Ann Fogelgren

Peter Gath

Leif Hummel

Marlene L. Jakobsen

Niels A. Johansen

# Income statement and statement of comprehensive income

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
<b>Revenue</b>	3	<b>1,250,913</b>	<b>1,404,273</b>	<b>5,261,016</b>
Cost of sales		(906,827)	(1,018,284)	(3,817,312)
Distribution costs		(51,707)	(52,722)	(211,468)
Gross profit		292,379	333,267	1,232,236
Other operating income		501	674	2,029
<b>Gross margin</b>		<b>292,880</b>	<b>333,941</b>	<b>1,234,265</b>
External expenses		(81,873)	(74,734)	(310,666)
Staff costs		(142,814)	(137,258)	(518,315)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>68,193</b>	<b>121,949</b>	<b>405,284</b>
Depreciation and amortisation		(27,558)	(32,524)	(113,079)
<b>Operating profit or loss (EBIT)</b>		<b>40,635</b>	<b>89,425</b>	<b>292,205</b>
Financial income		2,727	923	3,338
Financial expenses		(9,142)	(7,026)	(33,739)
<b>Profit or loss before tax (EBT)</b>		<b>34,220</b>	<b>83,322</b>	<b>261,804</b>
Tax on profit or loss for the period		(7,478)	(18,164)	(55,708)
<b>Net profit or loss for the period</b>		<b>26,742</b>	<b>65,158</b>	<b>206,096</b>

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
<b>Other comprehensive income</b>				
<b>Items reclassified to the income statement</b>				
Foreign currency translation adjustment relating to foreign entities		(1,013)	(1,621)	987
Tax on other comprehensive income		-		
Other comprehensive income after tax		(1,013)	(1,621)	987
<b>Total comprehensive income</b>		<b>25,729</b>	<b>63,537</b>	<b>207,083</b>
<b>Earnings per share</b>				
Earnings per share (EPS)		1.0	2.4	7.6
Diluted earnings per share (EPS-D)		1.0	2.4	7.6

# Balance sheet

## Assets

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	4	508,539	499,685	508,539
Intellectual property rights		43,718	47,240	44,611
Software		81,051	65,080	82,913
<b>Property, plant and equipment</b>				
Land and buildings		867,903	800,830	832,268
Leasehold improvements		15,816	17,203	15,530
Fixtures and operating equipment		220,774	221,113	221,966
Right-of-use assets		97,175	80,539	99,838
<b>Other non-current assets</b>				
Other investments		247	247	247
<b>Total non-current assets</b>		<b>1,835,223</b>	<b>1,731,937</b>	<b>1,805,912</b>

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
<b>Current assets</b>				
Inventories	5	749,384	929,035	757,411
Trade receivables	6	619,198	714,695	542,788
Joint tax contribution		3,193	5,158	-
Other receivables		17,133	10,742	20,573
Prepayments and accrued income		36,597	32,098	26,174
Cash and short-term deposits		44,677	382	89,504
<b>Total current assets</b>		<b>1,470,182</b>	<b>1,692,110</b>	<b>1,436,450</b>
<b>Total assets</b>		<b>3,305,405</b>	<b>3,424,047</b>	<b>3,242,362</b>

# Balance sheet

## Equity and liabilities

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
<b>Equity</b>				
Share capital		28,000	28,000	28,000
Reserve for foreign currency translation adjustments		(8,670)	(10,265)	(7,657)
Retained earnings		1,380,667	1,311,382	1,349,956
Proposed dividend for the financial year		-	-	105,000
<b>Total equity</b>		<b>1,399,997</b>	<b>1,329,117</b>	<b>1,475,299</b>
<b>Non-current liabilities</b>				
Deferred tax		70,078	64,518	70,098
Credit institutions		393,365	413,051	398,705
Lease liabilities		61,177	57,026	66,352
<b>Total non-current liabilities</b>		<b>524,620</b>	<b>535,595</b>	<b>535,155</b>

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
<b>Current liabilities</b>				
Credit institutions		268,213	355,792	109,343
Lease liabilities		39,194	28,032	36,844
Trade payables		982,525	1,060,471	1,006,632
Corporation tax		2,685	2,306	8,357
Joint taxation contribution payable		-	-	3,062
Other payables		87,671	106,994	67,170
Provisions for liabilities		500	6,740	500
<b>Total current liabilities</b>		<b>1,380,788</b>	<b>1,560,335</b>	<b>1,231,908</b>
<b>Total liabilities</b>		<b>1,905,408</b>	<b>2,094,930</b>	<b>1,767,063</b>
<b>Total equity and liabilities</b>		<b>3,305,405</b>	<b>3,424,047</b>	<b>3,242,362</b>

# Cash flow statement

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
Operating profit or loss for the period		40,635	89,425	292,205
Depreciation and amortisation		27,558	32,524	113,079
Other non-cash operating items, net		879	757	3,393
Cash flow from operations before change in working capital		69,071	122,705	408,677
Change in inventories		8,027	(63,082)	99,688
Change in receivables		(83,393)	(83,383)	84,617
Change in trade and other payables		(22,007)	(115,595)	(191,014)
Total change in working capital		(97,373)	(262,060)	(6,709)
Cash flow from operations		(28,302)	(139,355)	401,968
Net financials paid		(6,415)	(6,103)	(30,401)
Corporation tax paid		(19,274)	(8,546)	(25,151)
<b>Cash flow from operating activities</b>		<b>(53,991)</b>	<b>(154,004)</b>	<b>346,416</b>

DKK thousands	Note	Q1 2024	Q1 2023	Full Year 2023
Purchase of intangible assets		(3,482)	(7,089)	(33,934)
Purchase of property, plant and equipment, net		(47,895)	(22,672)	(94,819)
Purchase of investments		-	37	37
Acquisitions		-	(1,500)	(1,500)
<b>Cash flow from investing activities</b>		<b>(51,377)</b>	<b>(31,224)</b>	<b>(130,216)</b>
Change in payables to credit institutions		153,530	277,143	16,348
Repayment of lease liabilities		(9,288)	(8,731)	(35,342)
Dividends paid		(83,701)	(117,775)	(142,675)
<b>Cash flow from financing activities</b>		<b>60,541</b>	<b>150,637</b>	<b>(161,669)</b>
<b>Cash flow for the period</b>		<b>(44,827)</b>	<b>(34,591)</b>	<b>54,531</b>
Cash and short-term deposits at beginning of period		89,504	34,973	34,973
<b>Cash and short-terms deposits at end of period</b>		<b>44,677</b>	<b>382</b>	<b>89,504</b>

# Statement of changes in equity

DKK thousands	Share capital	Foreign currency translation adjustment	Proposed dividend for the financial year	Retained earnings	Total equity
Equity at 1 January 2024	28,000	(7,657)	105,000	1,349,956	1,475,299
Net profit for the period	-	-	-	26,742	26,742
Foreign currency translation adjustment	-	(1,013)	-	-	(1,013)
Total comprehensive income	-	(1,013)	-	26,742	25,729
Dividend distribution	-	-	(101,910)	-	(101,910)
Dividend, treasury shares	-	-	(3,090)	3,090	-
Share-based remuneration	-	-	-	879	879
Total transactions with owners	-	-	(105,000)	3,969	(101,031)
<b>Equity at 31 March 2024</b>	<b>28,000</b>	<b>(8,670)</b>	<b>-</b>	<b>1,380,667</b>	<b>1,399,997</b>
Equity at 1 January 2023	28,000	(8,644)	147,000	1,241,142	1,407,498
Net profit or loss for the period	-	-	-	65,158	65,158
Foreign currency translation adjustment	-	(1,621)	-	-	(1,621)
Total comprehensive income	-	(1,621)	-	-	(1,621)
Dividend distribution	-	-	(142,675)	-	(142,675)
Dividend, treasury shares	-	-	(4,325)	4,325	-
Share-based remuneration	-	-	-	757	757
Total transactions with owners	-	-	(147,000)	5,082	(141,918)
<b>Equity at 31 March 2023</b>	<b>28,000</b>	<b>(10,265)</b>	<b>-</b>	<b>1,311,382</b>	<b>1,329,117</b>

DKK thousands	Share capital	Foreign currency translation adjustment	Proposed dividend for the financial year	Retained earnings	Total equity
Equity at 1 January 2023	28,000	(8,644)	147,000	1,241,142	1,407,498
Net profit or loss for the period	-	-	105,000	101,096	206,096
Foreign currency translation adjustment	-	987	-	-	987
Total comprehensive income	-	987	105,000	101,096	207,083
Dividend distribution	-	-	(142,675)	-	(142,675)
Dividend, treasury shares	-	-	(4,325)	4,325	-
Share-based remuneration	-	-	-	3,393	3,393
Total transactions with owners	-	-	(147,000)	7,718	(139,282)
<b>Equity at 31 December 2023</b>	<b>28,000</b>	<b>(7,657)</b>	<b>105,000</b>	<b>1,349,956</b>	<b>1,475,299</b>

# Notes

## 1.0 Accounting policies

The interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

The accounting policies are unchanged from the accounting policies applied in the consolidated and parent company financial statements for 2023, to which reference is made. The consolidated and parent company financial statements for 2023 contain a full description of the accounting policies.

## 2.0 Accounting estimates and judgements

### Estimation uncertainty

In preparing these interim financial statements, management has made accounting estimates and assumptions which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The most significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements and parent company financial statements for 2023. For a more detailed description of the estimation uncertainty, reference is made to the consolidated and parent company financial statements for 2023.

## 3.0 Segment information

The Group operates primarily in Denmark, and less than 10% of its revenue relates to foreign countries. This was also the case in the first quarter of 2023.

The Group has not traded with any individual customer representing more than 10% of the Group's total revenue. This was also the case in the first quarter of 2023.

The Group has activities within the B2B segment and the B2C segment. The two segments share the same chief operating decision maker but are identified as separate operating segments in the internal management reporting.

# Notes

## Segment information Q1 2024

DKK thousands	B2B	B2C	Total
Revenue	1,098.0	152.9	1,250.9
Cost of goods sold	(807.8)	(98.5)	(906.3)
<b>Product margin</b>	<b>290.2</b>	<b>54.4</b>	<b>344.6</b>
Distribution	(40.0)	(11.7)	(51.7)
<b>Gross margin</b>	<b>250.2</b>	<b>42.7</b>	<b>292.6</b>
Direct expenses	(127.9)	(33.8)	(161.7)
<b>EBITDA before indirect expenses</b>	<b>122.3</b>	<b>8.9</b>	<b>131.2</b>
Indirect expenses			(63.0)
<b>EBITDA</b>			<b>68.2</b>
<b>Key figures</b>			
Gross margin %	22.8%	27.9%	23.4%
EBITDA (before indirect expenses) %	11.1%	5.8%	10.5%
EBITDA %			5.5%

## Segment information Q1 2023

DKK thousands	B2B	B2C	Total
Revenue	1,258.9	145.4	1,404.3
Cost of goods sold	(924.5)	(93.2)	(1,017.7)
<b>Product margin</b>	<b>334.4</b>	<b>52.2</b>	<b>386.6</b>
Distribution	(41.8)	(10.9)	(52.7)
<b>Gross margin</b>	<b>292.6</b>	<b>41.3</b>	<b>333.9</b>
Direct expenses	(124.8)	(32.4)	(157.2)
<b>EBITDA before indirect expenses</b>	<b>167.8</b>	<b>8.9</b>	<b>176.7</b>
Indirect expenses			(54.8)
<b>EBITDA</b>			<b>121.9</b>
<b>Key figures</b>			
Gross margin %	23.2%	28.4%	23.8%
EBITDA (before indirect expenses) %	13.3%	6.1%	12.6%
EBITDA %			8.7%

# Notes

## 4.0 Goodwill and intangible assets

The annual impairment test of intangible assets, including goodwill and intellectual property rights, is performed at 31 December 2024, after the completion of budgets and strategy plans for the coming period.

At 31 March 2024, management is of the opinion that there has been no indication of impairment of the carrying amount of goodwill and intellectual property rights, and therefore no impairment test of goodwill and intellectual property rights has been performed at 31 March 2024. For a more detailed description, reference is made to the consolidated and parent company financial statements for 2023.

## 5.0 Inventories

No unusual inventory write-downs or reversals of inventory write-downs have been recorded in the period.

## 6.0 Trade receivables

An estimate is used to assess the recoverability of receivables according to the same principles as applied in the financial statements for 2023.

The background features a large, stylized logo consisting of a dark grey 'A' on the left and a dark grey 'O' on the right. The 'A' is composed of two thick, slanted bars meeting at a point at the top, with a vertical bar at the bottom. The 'O' is a thick, circular ring. The entire logo is set against a solid black background.

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