



SEB Construction seminar

12 April 2016

H+H

Introduction

Forward-looking statement

The statements on the future in this presentation, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution related issues, breach of contract or unexpected termination of contract, price reductions due to market driven price reductions, launches of competitive products and other unforeseen factors.


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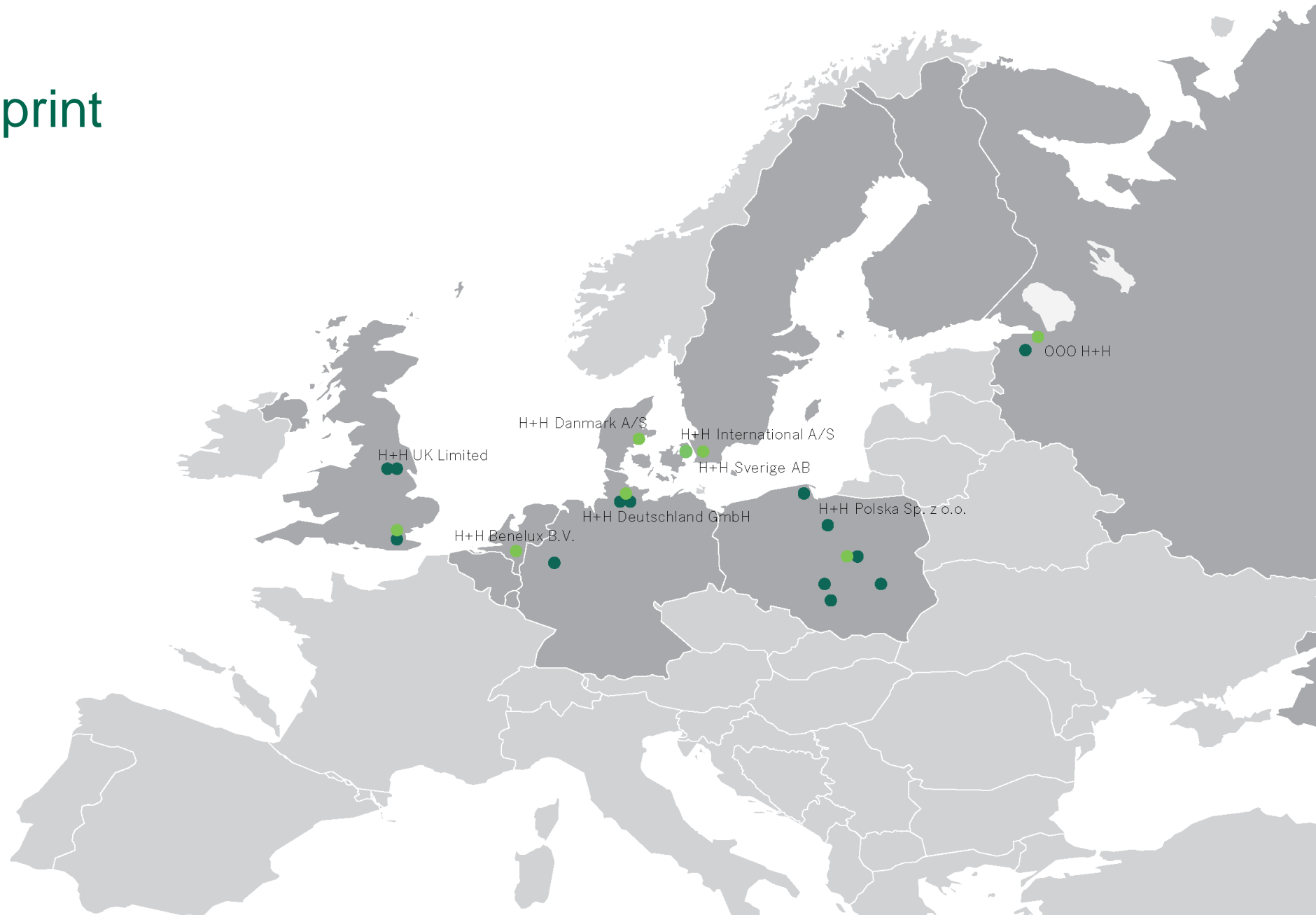
Agenda

- Introduction to H+H
- Highlights from 2015
- Outlook 2016 and long-term financial targets
- Q&A

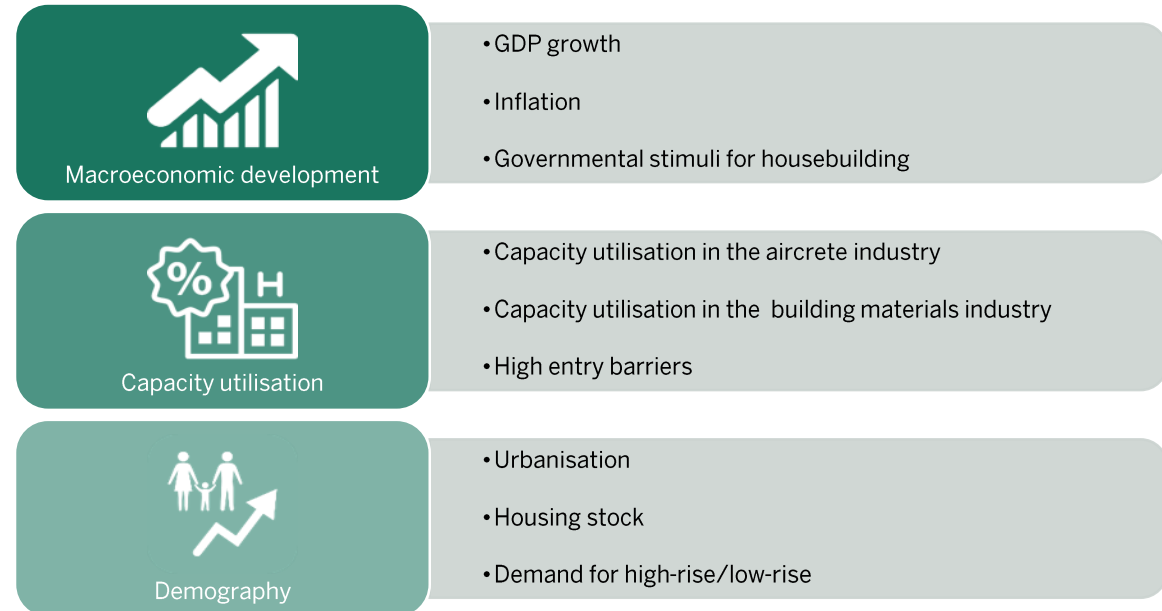
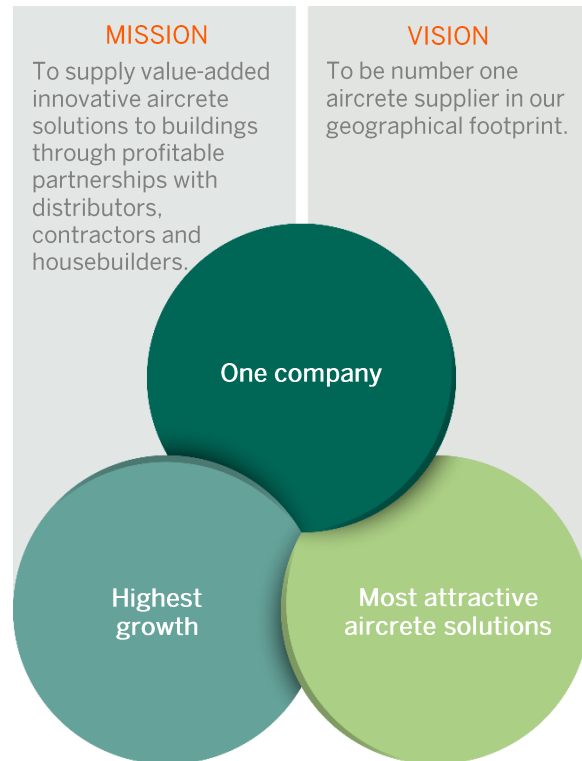
Geographical footprint

 Production facility

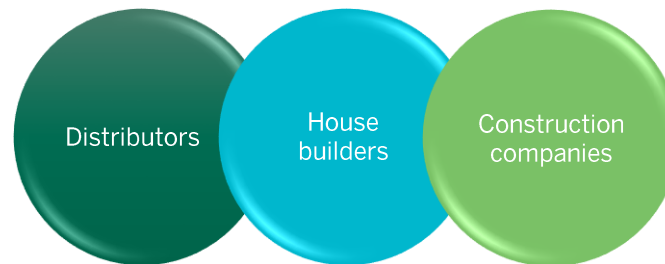
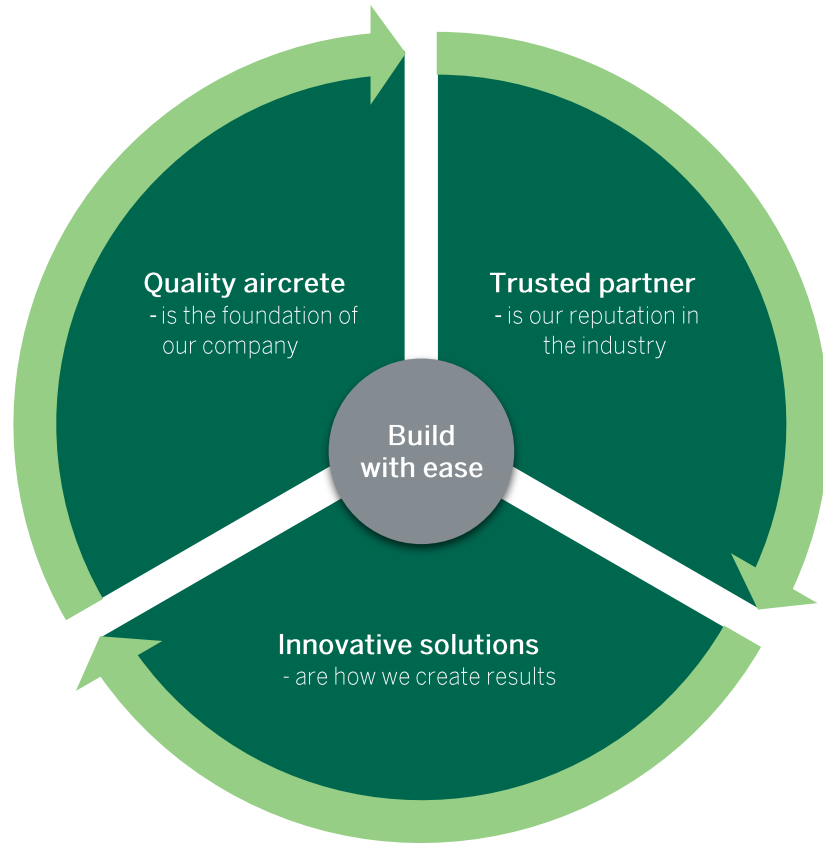
 Sales and administration



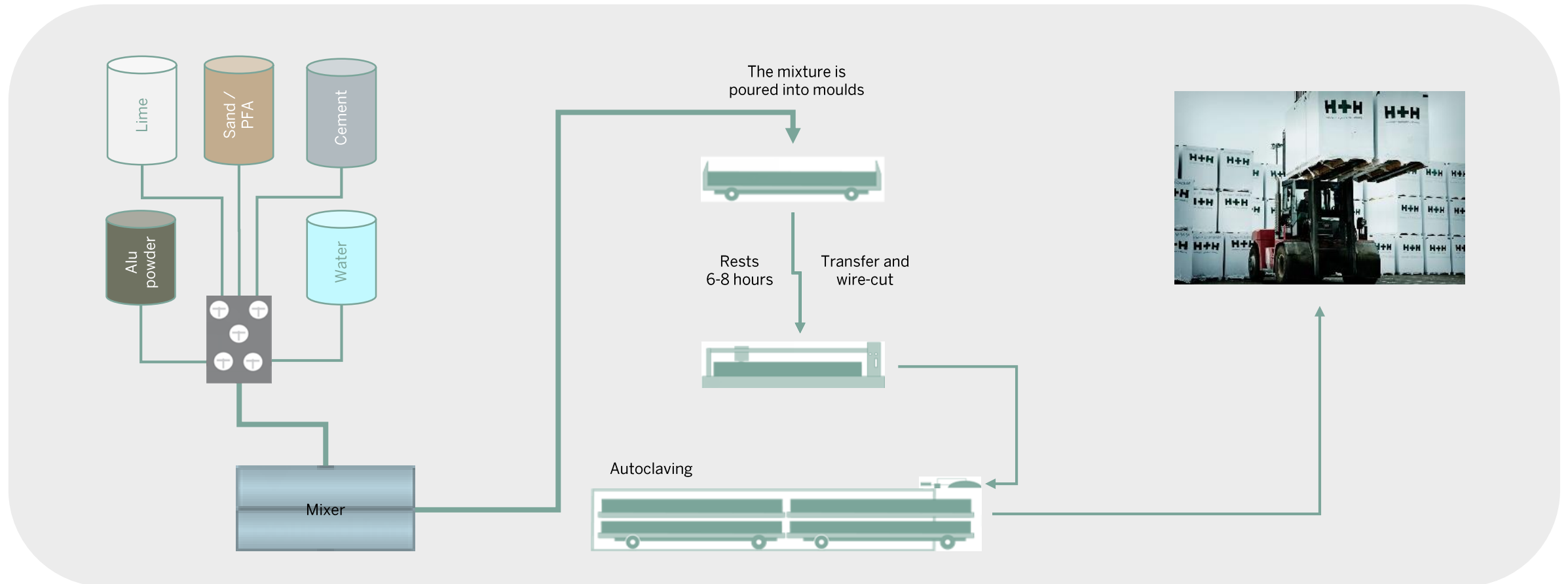
Strategy and external growth drivers



Commercial approach



Manufacturing process



Highlights for 2015 (4th quarter)

Organic growth

- 8% in the quarter
- 9% year-to-date

EBITDA*

- DKK 41 million in the quarter
- DKK 182 million year-to-date

Grupa Prefabet integration

- Integration running to schedule
- Sale of assets DKK 37 million year-to-date

Long-term financial targets*

- EBIT margin 5.0% (target min. 6%)
- ROIC 10.3% (target min. 10%)
- Gearing 2.4x EBITDA (target 2-3x)

New long-term financial targets*

- EBIT margin min. 6-8%
- ROIC min. 12%

Outlook 2016

- Organic growth of around 3-4%
- EBITDA of DKK 190-210 million
- Investments of around DKK 80 million

* Before special items

Specific assumptions for outlook for 2016



- Economic growth of around a negative 2% to a positive 3,5% in our geographical footprint



- The commercial and operational excellence programmes continue to deliver improvements



- Exchange rates, primarily for GBP, EUR, PLN and RUB, hold at their mid-March 2016 levels

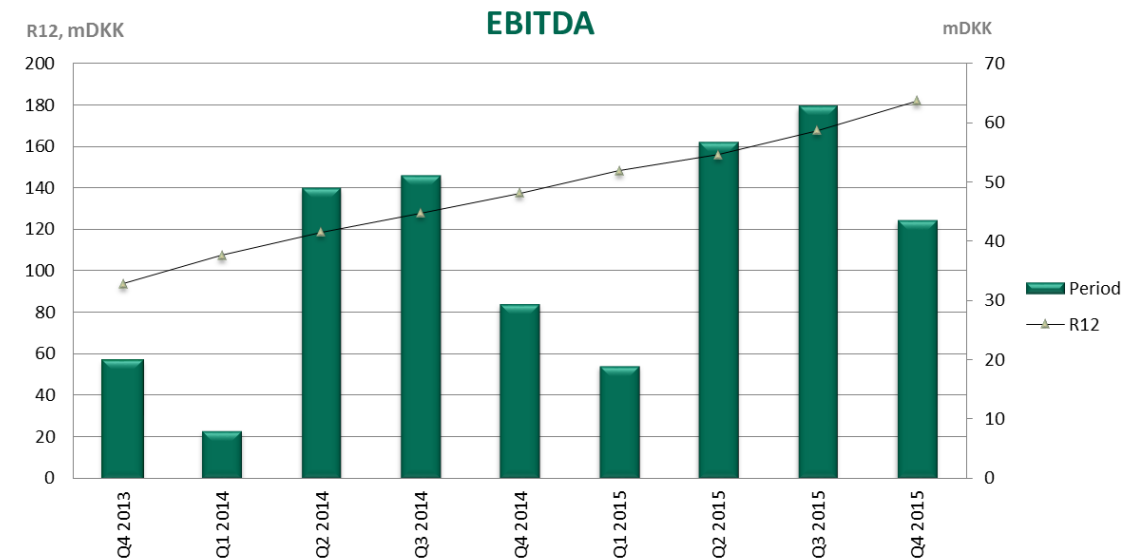
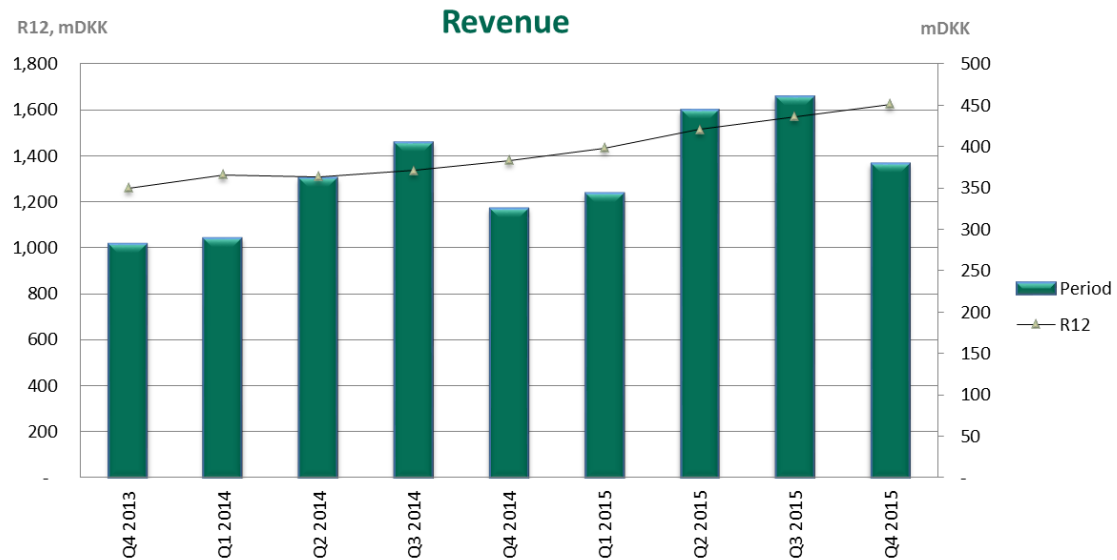


- Energy and raw material prices rise only in line with inflation from their mid-March 2016 levels



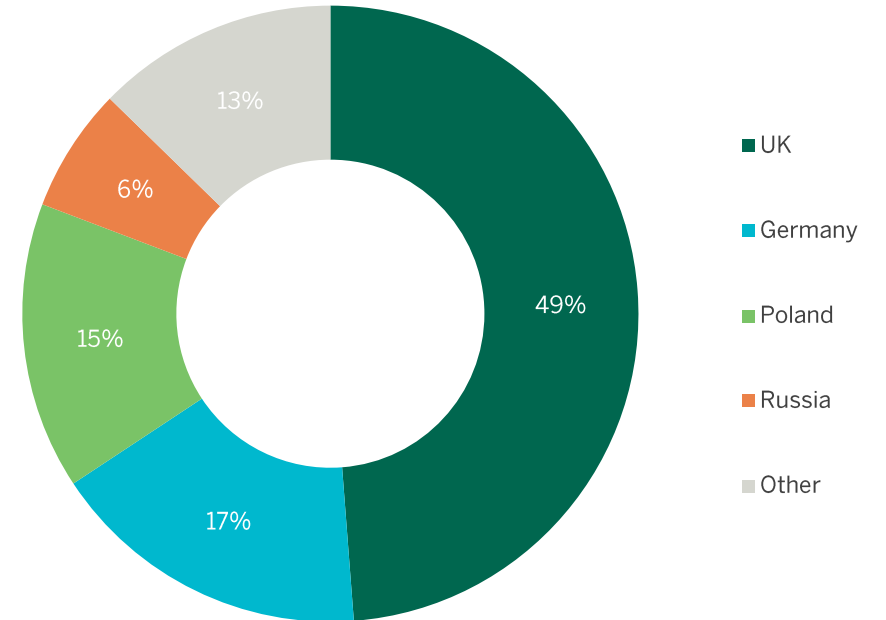
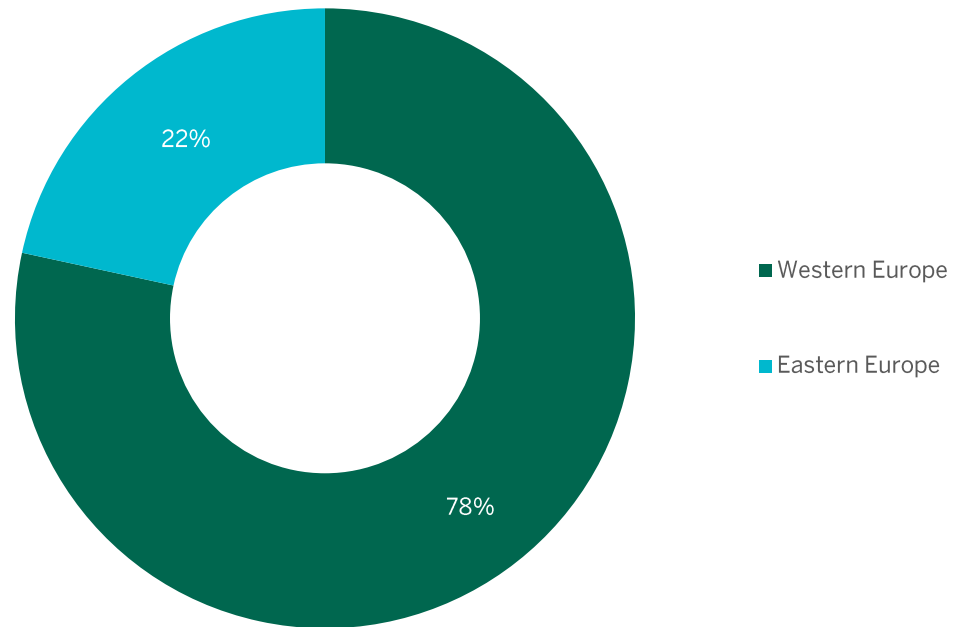
- The geopolitical situation does not result in changed market conditions

Financial performance

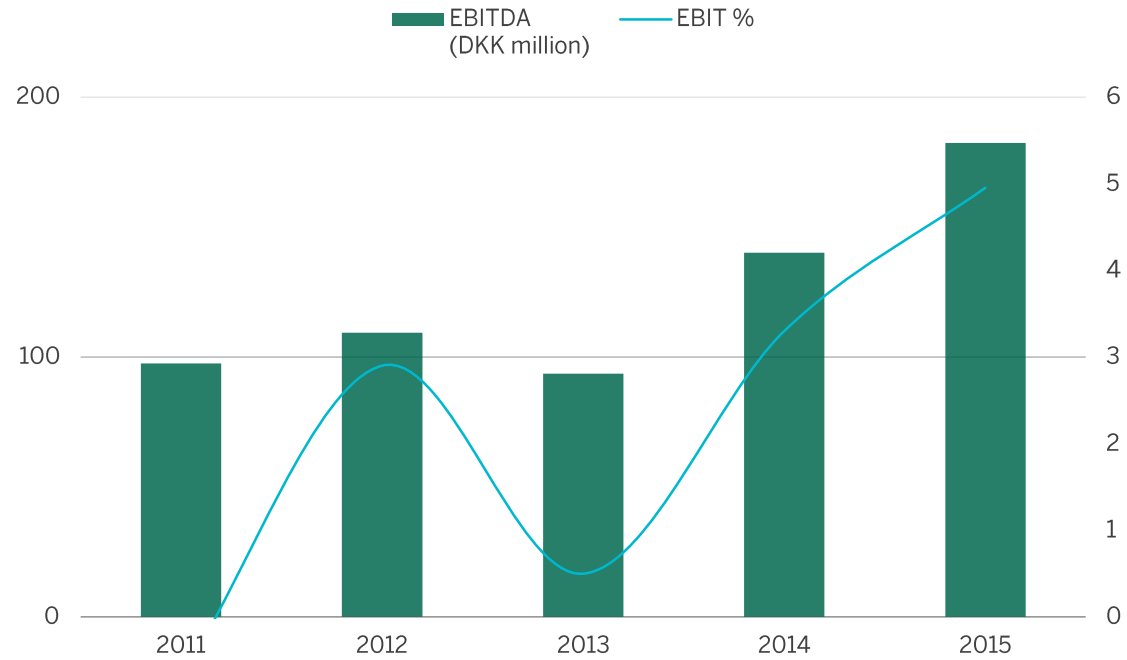


- 9 quarters of consecutive growth in both revenue and EBITDA on a R12 basis.
- Turnaround phase completed, we are now in the phase of normalising the business.

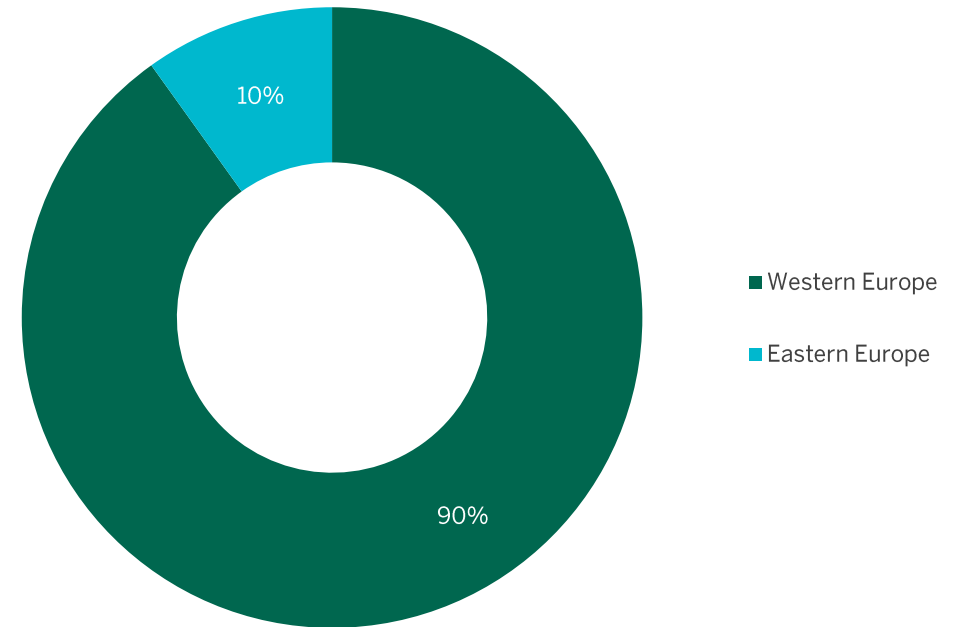
Revenue allocation 2015



EBITDA and EBIT margin



EBITDA allocation 2015



Balance sheet items 2015 (4th quarter)

CAPEX

- DKK 21 million in the quarter
- DKK 61 million year-to-date

Free cash flow

- DKK 44 million in the quarter
- DKK 58 million year-to-date

Credit facility

- Committed facility in Danske Bank until 2018

Asset sales

- Programme with targeted sales of DKK 70 million in 2015-2017
- DKK 37 million realised in 2015

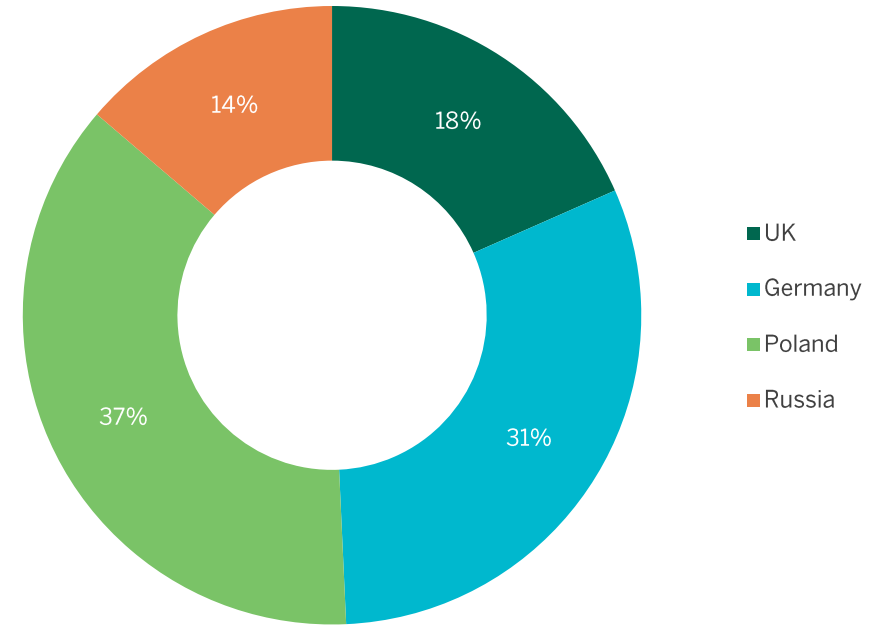
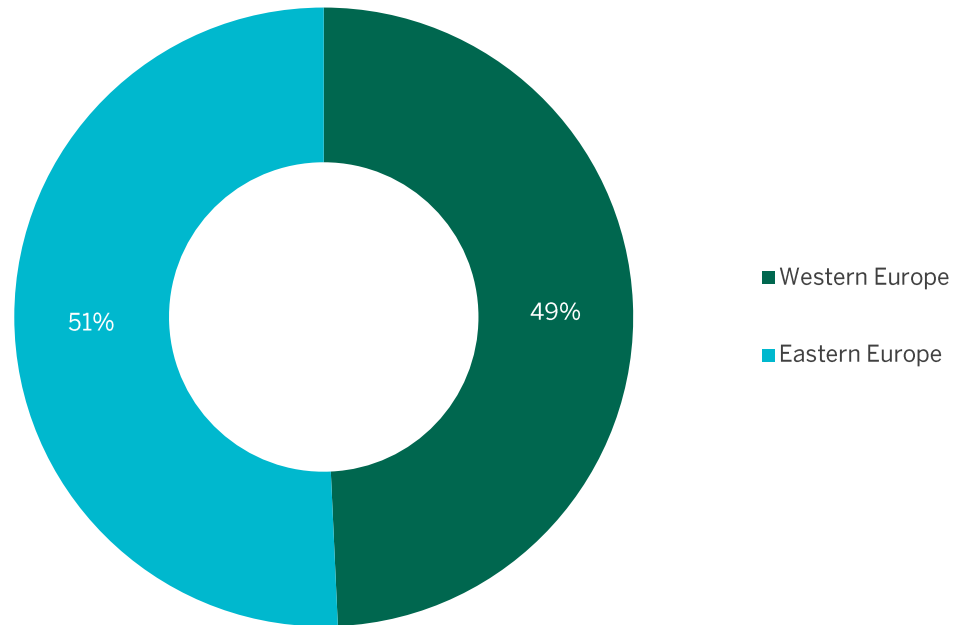
Gearing

- 2.4x EBITDA before special items
- 1.9x EBITDA after special items

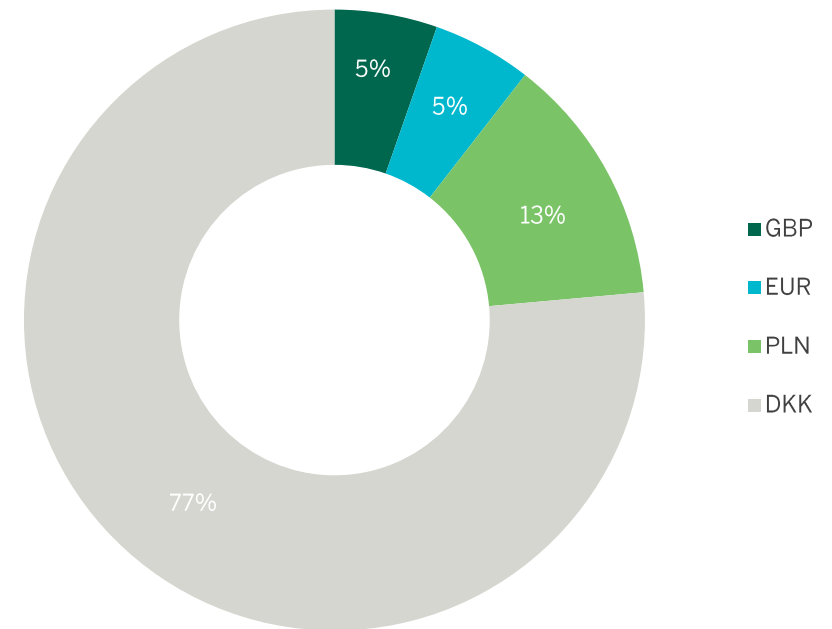
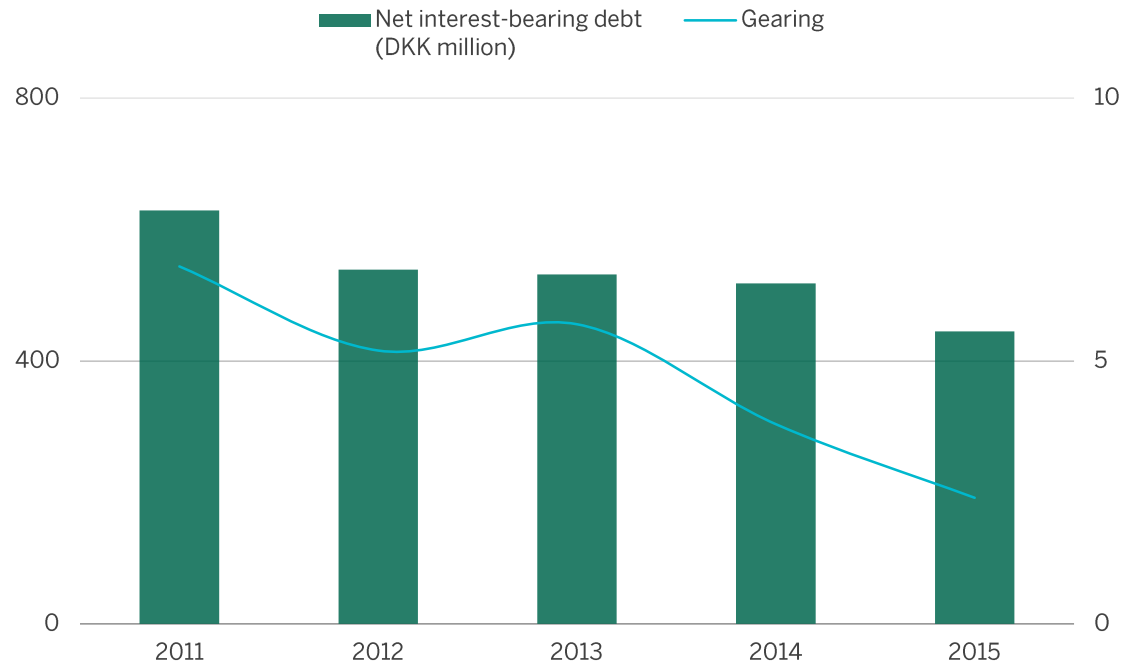
Solvency

- Equity at DKK 255 million
- 20.5% solvency ratio

Non-current asset allocation as of 31 December 2015



Net interest-bearing debt development and allocation as of 31 December 2015



H+H is the market leader in the UK

- To ensure our market position, it has been decided to upgrade one of our factories.
- The upgrade will make it the most advanced aircrete facility in the UK.

	Housing Starts and Completions				Est.	Forecasts		
	2011	2012	2013	2014		2015	2016	2017
Private Housing								
Starts	103.2	96.5	115.5	129.2	140	148	158	162
Completions	100.5	103.8	102.3	110.4	125	140	150	155

Source: Experian, UK construction forecast, Winter 2015/2016 – Volume 22 – Issue 1

- Going forward we expect the investment level to be closer to our depreciation level.

Q & A

Thank you

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