



# H+H acquires silicate lime business in Poland

7 July 2017



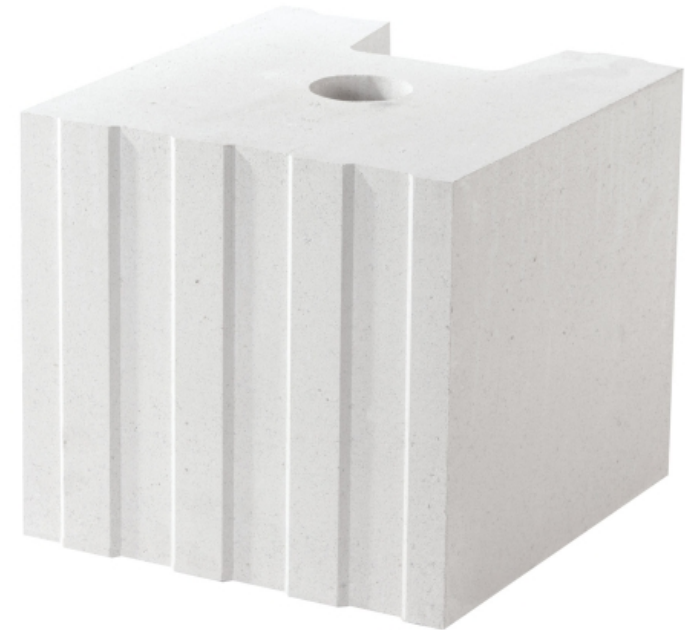
## H+H acquires silicate lime business in Poland

- H+H Polska Sp. z o.o. buys Grupa Silikaty Sp. z o.o. from Grupa Ożarów
- Purchase price approx. DKK 64 million
- Payment schedule agreed
  - On closing – approx. DKK 14 million
  - January 2019 – approx. DKK 25 million
  - January 2020 – approx. DKK 25 million



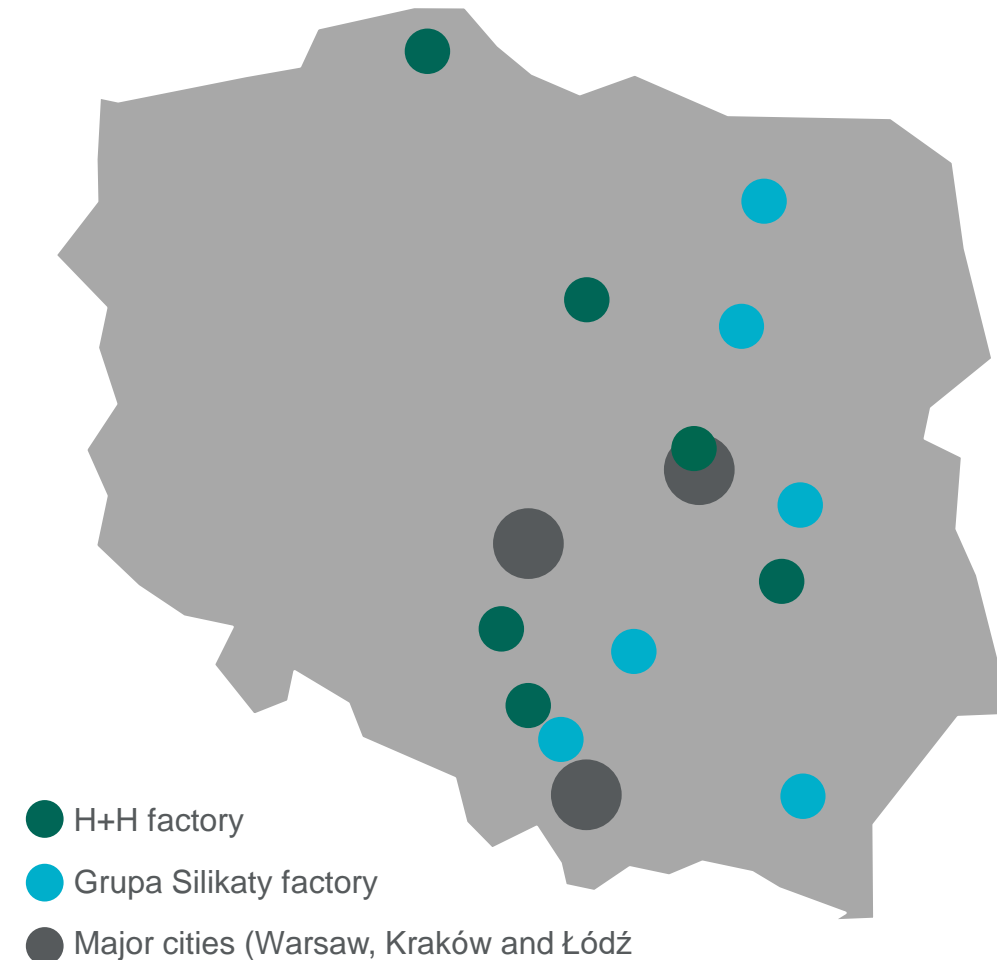
## Product

- Calcium silicate units (CSU) is a building block / element made of
  - 90% sand
  - 7% lime
  - 3% water
- The blocks are pressed together and then autoclaved in 8 hours at around 200 °C
- Sound insulation and the load bearing ability are the predominant attributes of the product
- The product is more heavy than aircrete (AAC), i.e. distribution range from the factories is shorter



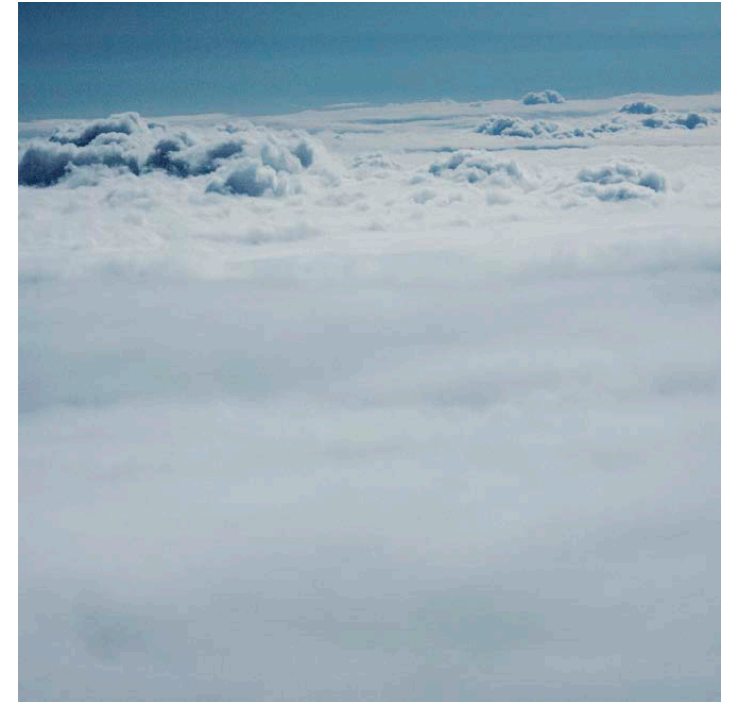
## Market

- Installed capacity in Poland is approx. 1,800 tm3 distributed over 30 factories
- Most factories running close to capacity ceiling
- Grupa Silikaty has seven factories
- Main competitors are
  - Xella (7 factories)
  - SILPRO (1 factory)
  - Others (15 factories)
- Predominantly pull sales



## Grupa Silikaty Sp. z o.o.

- Second largest producer of CSU in Poland with seven plants
- Revenue in 2016 of around DKK 157 million
- EBITDA in 2016 was around DKK 11 million
- Market share of around 30%
- Around 300 employees





## Rationale

- CSU enjoys a strong position in residential high-rise
- Strengthening of our overall position and brand in the Polish wall building industry
- Synergies predominantly from cross selling
- H+H aim at maximizing output to take advantage of the current market situation
- If H+H's cross selling approach is successful H+H can target similar product combinations in other countries



## Financial impact

- Limited investments needed
- Transaction costs will be recognized as special items
- No changes to outlook 2017 nor the long-term financial targets
- Synergies to be harvested from 2018

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