

Q1-Q3 2021 Interim Financial Report

Danske Bank roadshow

Copenhagen, 15 November 2021



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Q3 2021 highlights

Strategy update

Revenue

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Questions & answers

H+H is a partner in wall building across Europe

H+H is a leading wall-building materials provider. The core activity is the production and sale of autoclaved aerated concrete (“AAC” or “aircrete”) and calcium silicate units (“CSU” or “sand lime bricks”). The products are building blocks used for wall building, primarily in the residential new-building segment.

The product range also includes more advanced products, such as high-insulating blocks, larger elements, and a range of traded goods used for wall building.

H+H has 30 factories in Northern and Central Europe with a total annual output of approximately four million cubic metres of wall-building materials and a leading position in most of its markets. The Group has more than 1,500 employees.

The business is cyclical and H+H is always pursuing organic growth and margin improvements. In addition, restructuring and consolidation of the markets in Central Europe is on the strategic agenda.

The parent company, H+H International A/S, is headquartered in Copenhagen, Denmark, and the company is listed on the Nasdaq Copenhagen stock exchange under the ticker symbol, HH.

FORWARD-LOOKING STATEMENTS

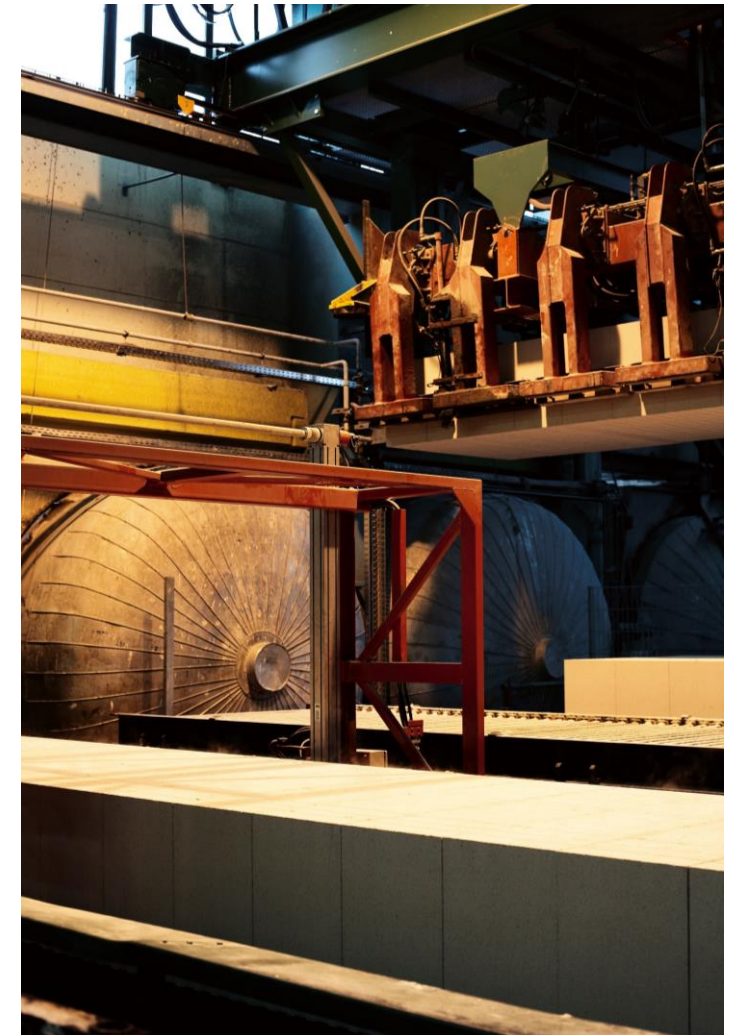
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Q3 2021: best-ever nine-month results with strong organic growth and solid earnings margins

Selected financial figures Figures in DKKm unless otherwise stated

Selected financial figures and ratios	Q3 2021	Q3 2020	Q3 2019	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2019
Sales volume (thousand cubic metres)	1,176	1,055	1,232	3,328	3,035	3,544
Organic growth	13%	(7%)	5%	14%	(9%)	10%
Revenue	811	712	779	2,289	2,012	2,215
Gross margin	31%	34%	34%	30%	32%	31%
EBITDA before special items	171	162	182	452	396	435
EBIT before special items	125	116	137	314	258	306
EBIT margin before special items	15%	16%	18%	14%	13%	14%
Special items	(4)	-	-	(4)	-	-
Return on Invested Capital (ROIC)	21%	18%	19%	21%	18%	19%
Financial gearing ⁽¹⁾	0.3x	0.5x	0.9x	0.3x	0.5x	0.9x
Free cash flow	5	136	136	145	166	175

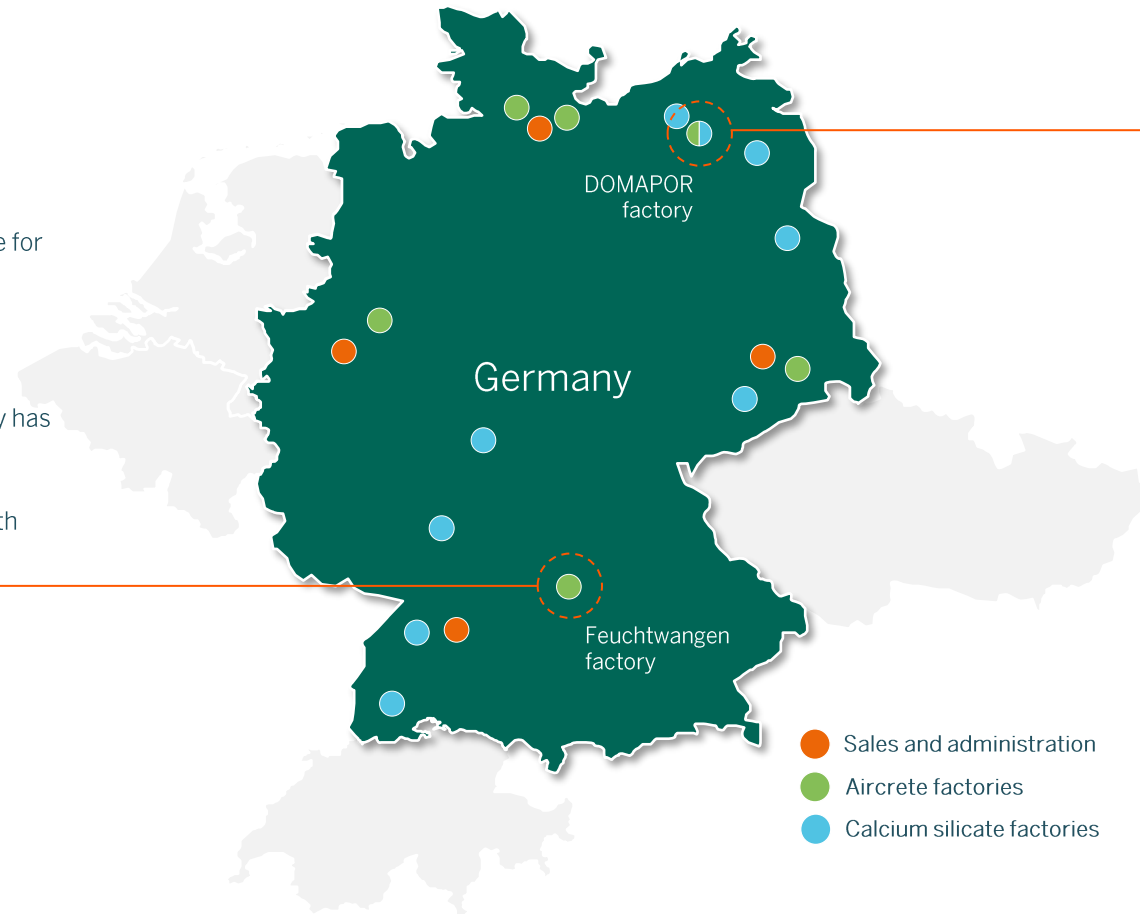
(1) Net interest-bearing debt to EBITDA before special items ratio



Acquisition of majority stake in DOMAPOR provides important expansion of H+H's Germany factory network

Feuchtwangen acquisition

- Acquisition of one AAC factory located in Feuchtwangen in Bavaria, Germany
- The acquisition provides true national coverage for H+H's aircrete business
- Through the acquisition, H+H will be the only supplier of both AAC and CSU products in the southern part of Germany
- Based on legacy production figures, the factory has the potential to add approximately 2-3 ppts. of market share to the German AAC business
- In addition, the factory could further supply both the Benelux and Czech markets

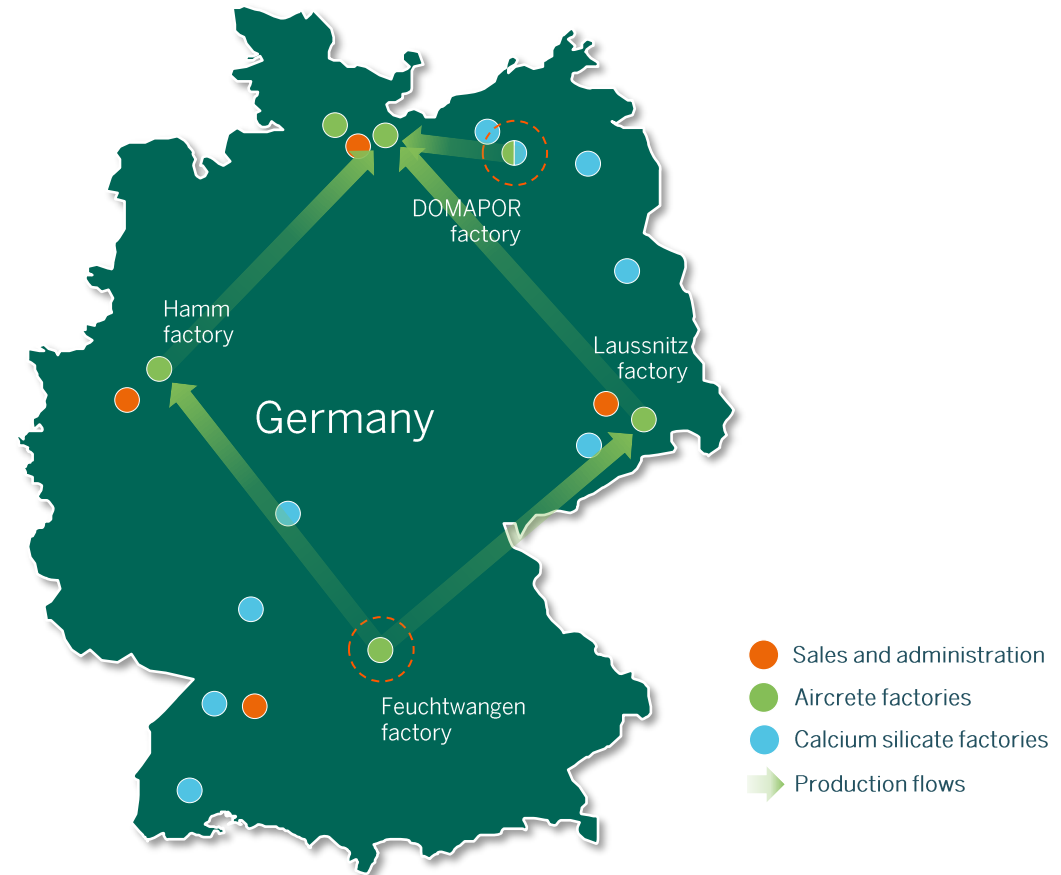


DOMAPOR acquisition

- H+H has signed an agreement to acquire 52.5% of the shares in DOMAPOR GmbH & Co. KG ("DOMAPOR")
- The factory has two production lines and is producing both AAC and CSU products
- It is estimated that the factory has capacity for an annual output equal to approximately 4.0% of the German AAC market and between 1.0% and 1.5% of the German CSU market.
- Acquisition is a strong addition to H+H's German factory network
- Expected close in early-January 2022

Acquisitions provide H+H with the opportunity to upgrade the Wittenborn factory, as expanded factory network minimise impact on production

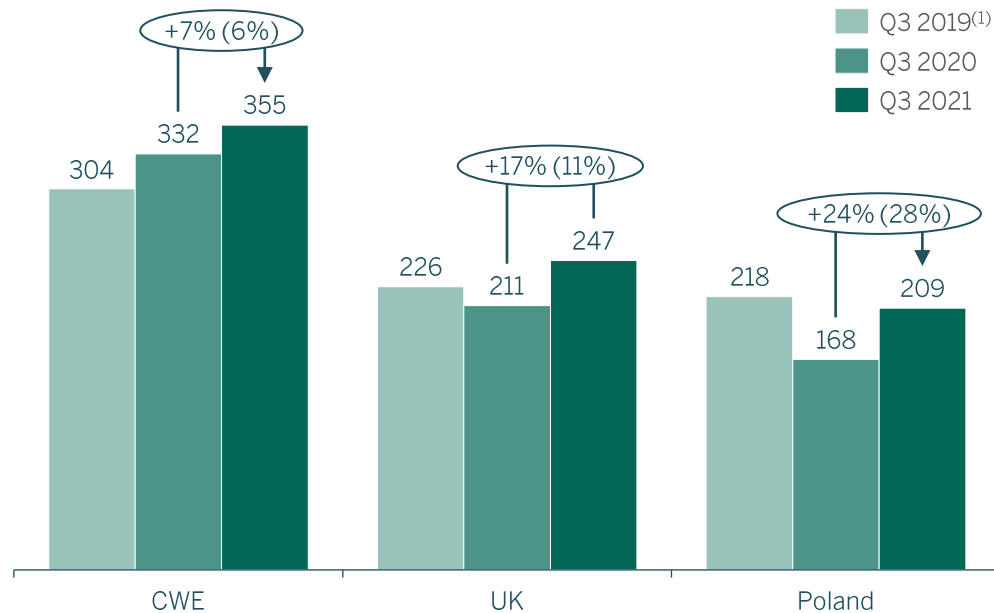
- H+H plans to perform certain upgrades and maintenance on the Wittenborn factory in the Northern part of Germany
- As a consequence of the upgrades, the Wittenborn factory will be temporarily closed for a period in 2022
- H+H will utilise the expanded factory network from the DOMAPOR and Feuchtwangen acquisitions to support the Wittenborn factory and minimise impact on production
- The Wittenborn factory will be supported by the Laussnitz and Hamm factories, as well as the newly acquired DOMAPOR factory
- Further, the Laussnitz and Hamm factories will in turn be supported by the recently acquired Feuchtwangen factory
- Upgrades are considered strategically important and will add long-term value for H+H



Solid revenue growth across all markets driven by continued high market activity and strong demand

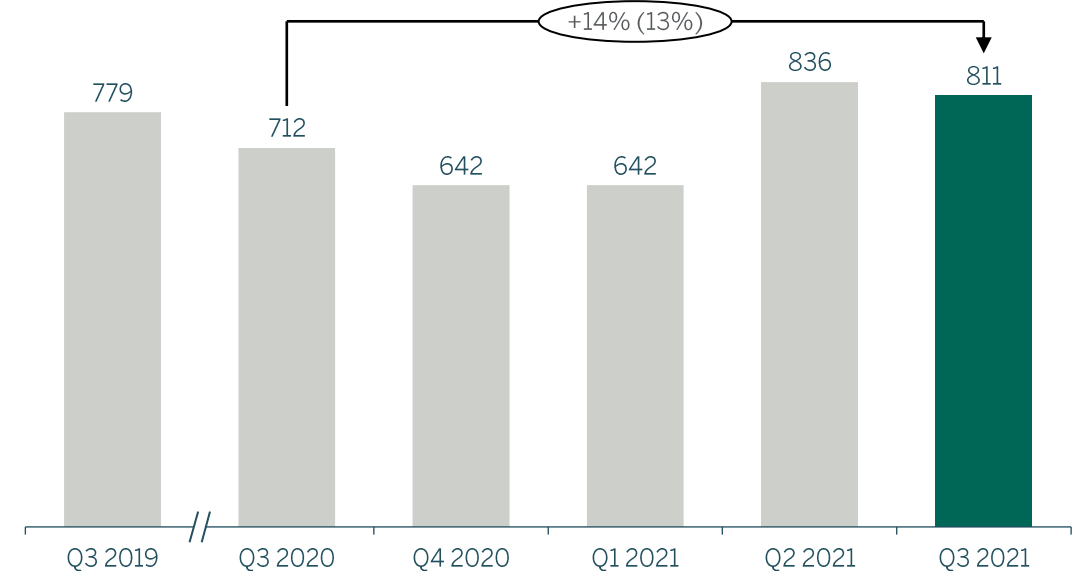
Revenue growth by market

DKKm. Bubbles show revenue growth (organic growth)



Consolidated revenue by quarter

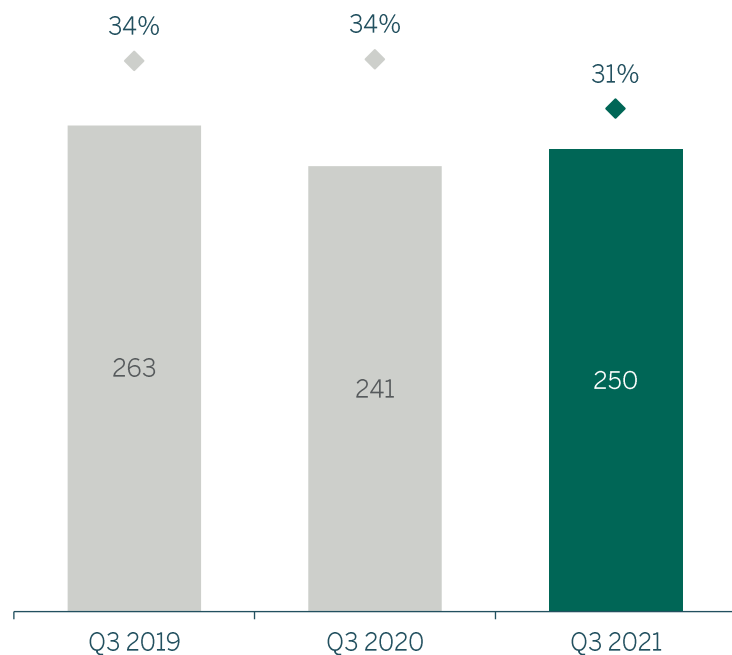
DKKm



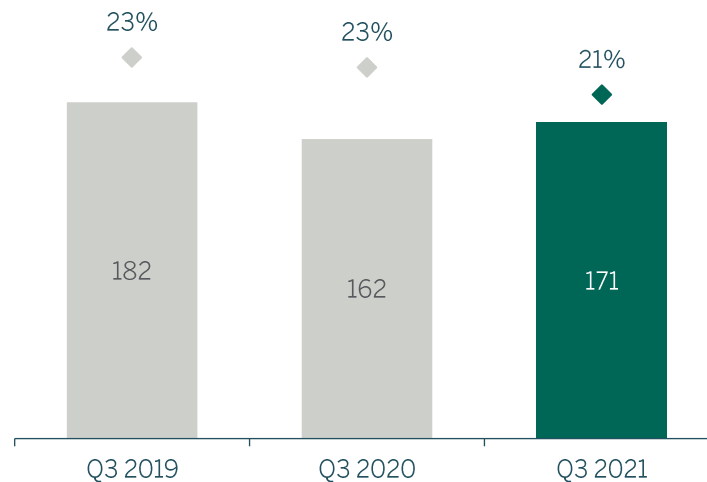
(1) Total revenue in Q3 2019 of DKK 779m. Revenue of DKK 31m is not shown in chart as it pertains to revenue generated in other locations that have since been divested

Input-cost inflation and continued high transport costs put pressure on margins, but H+H will seek to offset impact through sales-price increases

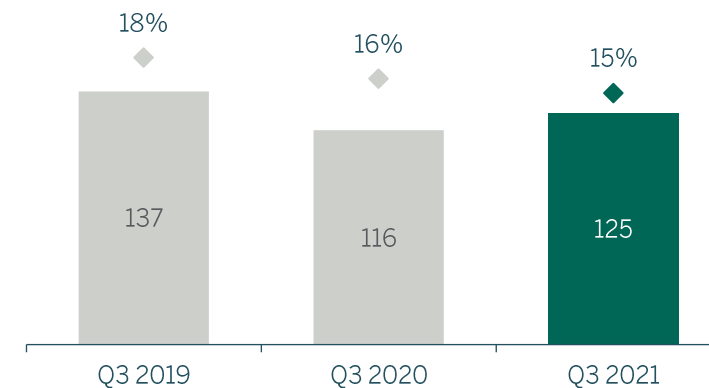
Gross profit and gross profit margin
DKKm and percent, respectively



EBITDA and EBITDA margin
DKKm and percent, respectively



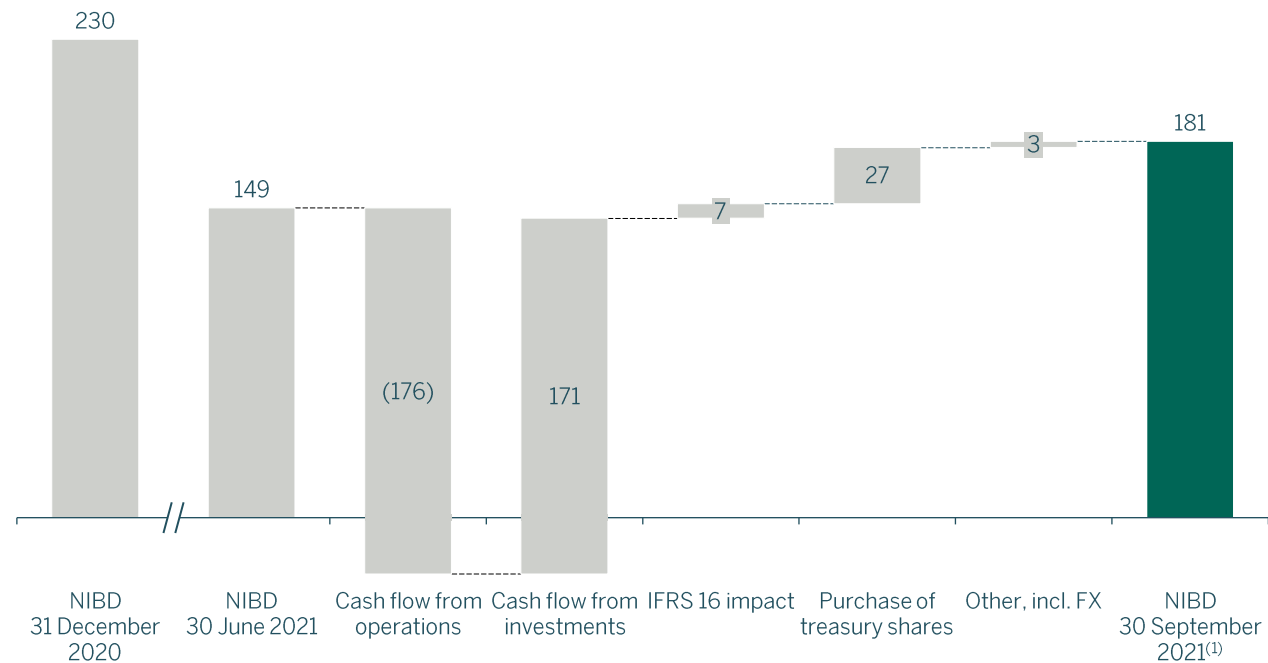
EBIT and EBIT margin
DKKm and percent, respectively



Note: All figures are before special items

Acquisition of AAC factory in Germany main driver behind higher NIBD in Q3

Net interest-bearing debt (“NIBD”)



(1) Of the total net interest-bearing debt, lease liabilities amounted to DKK 111 million as of 30 September 2021



H+H narrows its previously communicated guidance ranges

Organic growth

~11%

(Previously 8-11%)

EBIT before special items

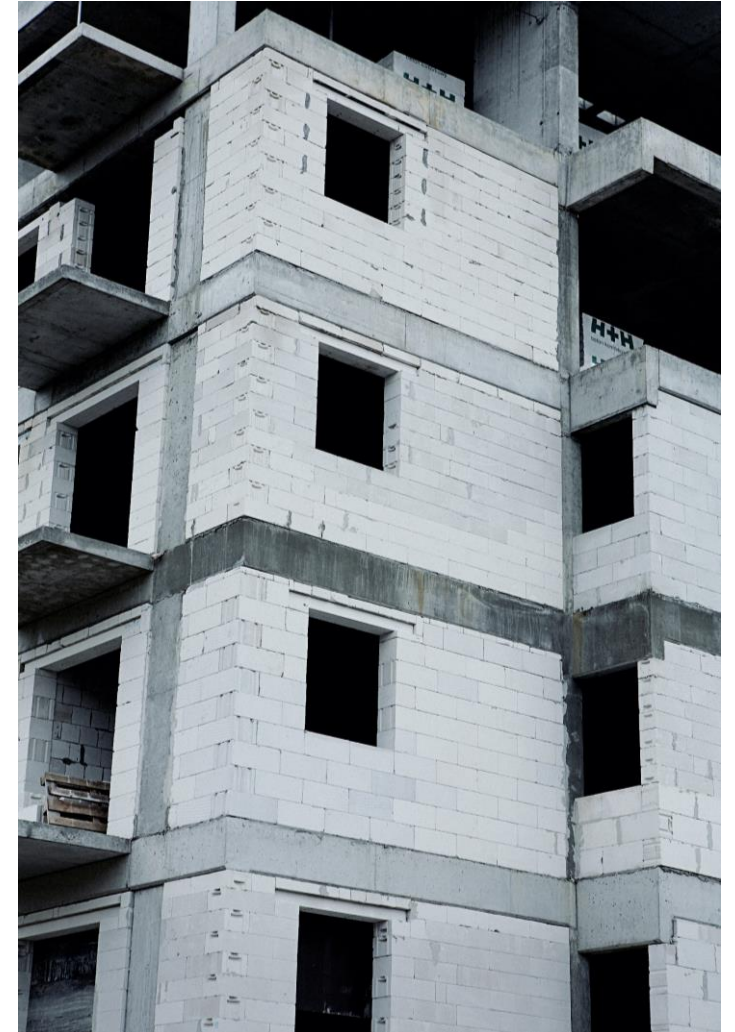
375 to 400

(Previously 360-400)

DKKm

Specific assumptions:

- The COVID-19 pandemic is not expected to have any material impact on construction activity levels or supply chains
- Exchange rates, primarily GBP, EUR and PLN to remain at end-October 2021 levels
- Energy and raw material prices to remain at end-October 2021 levels



Questions?

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