

H+H International A/S 2021 Annual Report

4 March 2022



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H+H is a **Partner in Wall Building** across Europe

H+H is a 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 primary products are building blocks used for wall building, mainly in the residential new-building segment, but 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 leading position in most of its markets, with 31 factories in Northern and Central Europe (plus one factory currently under construction) producing a total annual output of close to 4.5 million cubic metres of wall-building materials. The Group has more than 1,600 employees working in eight countries in Central Europe.

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

This presentation contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of H+H International A/S, may cause actual developments and results to differ materially from the expectations expressed in this presentation. In no event shall H+H International A/S be liable for any direct, indirect or consequential damages or any other damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other action, arising out of or in connection with the use of information in this presentation.

H+H at a glance

H+H is a leading provider of solutions and materials for wall building. Over the recent years, H+H has grown significantly through acquisitions and now has a strong and diversified market position across its geographies, serving as a solid foundation for continued growth.



Founded in
1909

H+H was established in 1909 when Henrik Johan Henriksen and Waldemar Kähler established the joint stone and gravel-pit enterprise, 'Singelsforretningen Omd'.



Employees
1,663

We have more than 1,600 employees working across eight different countries in Northern and Central Europe, of which approximately two thirds work in our factories.



Revenue (DKKm)
3,020

In 2021, we generated a total revenue of DKK 3,020 million and an organic growth of 13%. AAC and CSU accounted for 71% and 29% of the total revenue, respectively.



Factories
31

We have 31 factories across Northern and Central Europe with a total annual output of close to 4.5 million cubic metres of wall-building materials. In addition, we are currently expanding one of our AAC factories in the northern part of Poland with a new CSU production line.



Acquisitions
24

Since 2014, we have acquired 24 factories. These have contributed to a significant expansion of our factory network and have more than tripled our white-stone businesses in both Germany and Poland.



Revenue split by product line (FY 2021)

71% **29%**

Both products are key components for energy-efficient wall systems

Aircrete ("AAC") combines strength and durability with fire resistance, low weight and excellent thermal insulation making it the ideal material for the residential low-rise housing market.

Calcium silicate ("CSU") is a heavy and dense wall-building material primarily used for residential high-rise buildings. The product is fire resistant and has a very high degree of sound insulation.

Full-year 2021: strongest-ever annual results with solid organic growth and record earnings

Selected financial figures

Figures in DKKm unless otherwise stated. 2020 figures in brackets

Organic growth

13%

(-6%)

EBIT⁽¹⁾

408

(332)

Profit after tax

321

(251)

Capital expenditures

197

(134)

Free cash flow⁽²⁾

265

(291)

Financial gearing⁽³⁾

0.6x

(0.4x)

(1) Before special items (2) Before acquisitions and divestments. Free cash flow after acquisition of enterprises was DKK 27 million in 2021 (2020: DKK 219 million) (3) Net interest-bearing debt to EBITDA before special items ratio



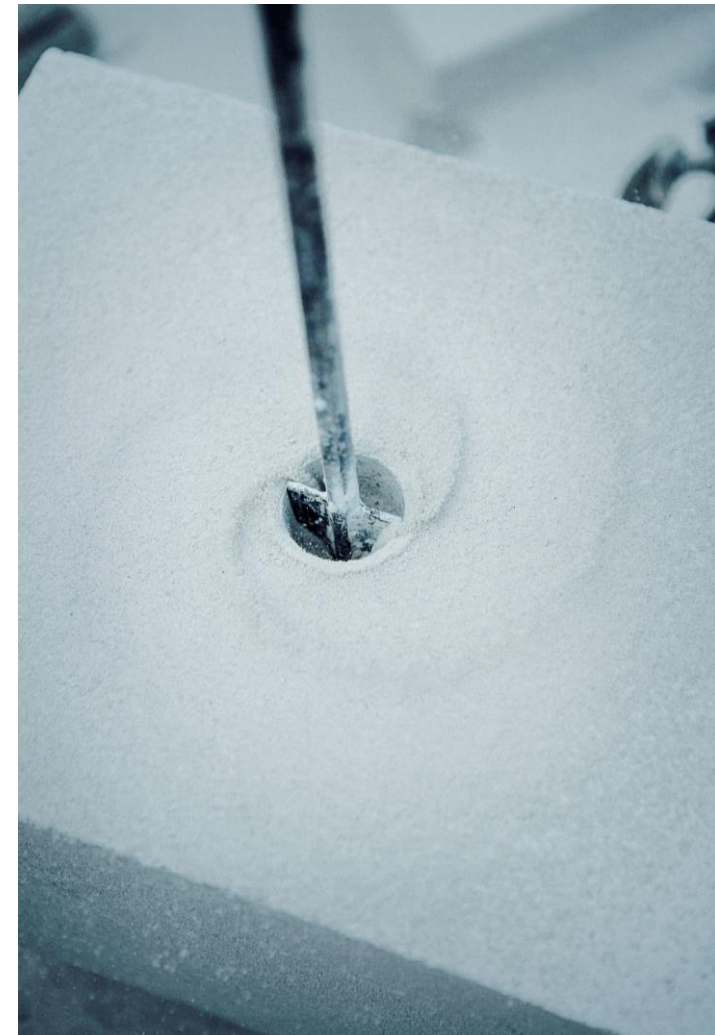
Financial outlook for 2022

Organic growth
10% to 15%

EBIT
420 to 500
(DKKm)

Specific assumptions:

- Exchange rates, primarily the British pound (“GBP”), the euro (“EUR”) and the Polish zloty (“PLN”) remain at mid-February 2022 levels.
- Inflation rates related to the cost of energy and raw-materials to stabilise at mid-February 2022 levels.



Underlying market conditions support increase of long-term financial targets

EBIT margin before special items

↑ 12%

2021: 14%

Return on invested capital (ROIC)

↑ 16%

2021: 20%

Financial gearing

1-2x

2021: 0.6x

Note: The Group's long-term financial targets reflects the ambition to maintain average minimum levels through a full business cycle



Important strides made on our journey towards net-zero emissions

2022

As the first manufacturer of AAC and CSU products, H+H committed to an ambitious

 1.5°C

climate target and had its plan verified by the Science Based Target initiative

2030

We commit to reducing absolute scope 1 and 2 greenhouse-gas emissions by

46%

by 2030 compared with 2019

We commit to reducing scope 3 greenhouse-gas emissions by

22%

per kg CO₂e/m₃ by 2030 compared with 2019

2050

We commit to achieving net-zero emissions in our operations and products by

2050



H+H will leverage momentum from strong 2021 results and invest in the drivers of future growth



Strongest-ever full-year results driven by high market activity and strong customer demand. Successful implementation of double-digit sales-price increases point to further growth in 2022, but H+H remains watchful of the continued inflationary pressure.



In 2022, we will further strengthen our platform through targeted upgrades and the implementation of the newly acquired factories in Germany as we work towards reaching our German market-share target by 2023.



We have committed to an ambitious 1.5-degree science-based emissions-reduction target, with mid-term targets that will take us a long way along our path towards carbon neutrality.



We will continue to harvest synergies from the recent years' acquisitions in Poland to build further resilience and will continue to optimise our UK footprint, including a potential expansion of production capacity, to maintain our market-leading position in the country.



Our continued growth strategy will deliver long-term shareholder value and underpinned by our strong cash-flow generation, we have the means necessary to invest in the drivers of future growth.



4 March 2022

Questions and answers

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