



H+H International A/S Pre-close meetings

January 2023



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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 32 factories in Northern and Central Europe 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 and Northern 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.

Market update

Central Western Europe

Germany:

- The country still faces high inflation rates, in large part due to rising natural gas prices driven by uncertainties related to future supply.
- The number of building permits for new buildings issued has declined by 12% in October year-on-year, mainly driven by decreases in individual investors and non-residential. Further, the rising inflation continues to drive an increasing trend of postponements of construction starts adding to the construction backlog.
- Lack of housing persists, and drives need for rental housing. Government issued another paper in December for how to reach 400k dwellings per year.
- The Wittenborn factory was in ramp up during Q4. The upgrade gives strength to H+H's AAC factory network which will help drive market share across Germany and into adjacent markets.

Other markets:

- In the Nordics, building permits and the latest economic analyses point to a more negative outlook for the construction industry due to high inflation and interest rates.
- In Switzerland and the Benelux countries, uncertainties from current geopolitical events continue to weigh on the expected economic growth and building activities.
- We see opportunities for gaining AAC market share in the Nordics, Benelux and Czech.

United Kingdom

- While activity levels for the remainder of 2022 remains stable, the increased level of uncertainty fuel the anticipation of lower building activity in the medium term.
- Interest rates seem to stabilize but consumer confidence remain low.
- Volume housebuilder order book down approx. 10%.
- Volume housebuilder sales rates decreased to 0.2-0.3, which could potentially lead to further declining order books.
- As H+H recently have undersupplied compared to customer demand, we view favorably at our position to serve the UK market, including potential to increase AAC penetration through foundation blocks.
- As we remain positive on the long-term fundamentals, we continue to seek opportunities to further increase our UK capacity.

Poland

- General inflation and interest rate increases have adversely impacted consumer purchasing power and ability to invest
- The number of building permits declined by 9% year-on-year (November YTD), mainly driven by decreases in individual investors. However, coming from a high level. The number of starts are decreasing by approx. 25% across both individual investors and developers.
- Number of building permits issued continues to exceed the number of completions, adding further to the construction backlog
- Great influx of refugees from Ukraine expected to drive further demand for new build housing and high-rise rental market
- The expansion of the AAC factory in Reda with an additional CSU production line was completed in Q3 and is now supplying the Polish Tri-City area.
- H+H has initiated specific resilience actions to mitigate impacts from a potential continued declining market demand in Poland. These measures include adjusting production capacity where needed. Also, actions have been taken to reduce and manage the operating cost base where relevant.

January 2023

Financial outlook for the full year 2022 narrowed

Organic growth

~15%

(Previously 15% to 20%)

EBIT before special items

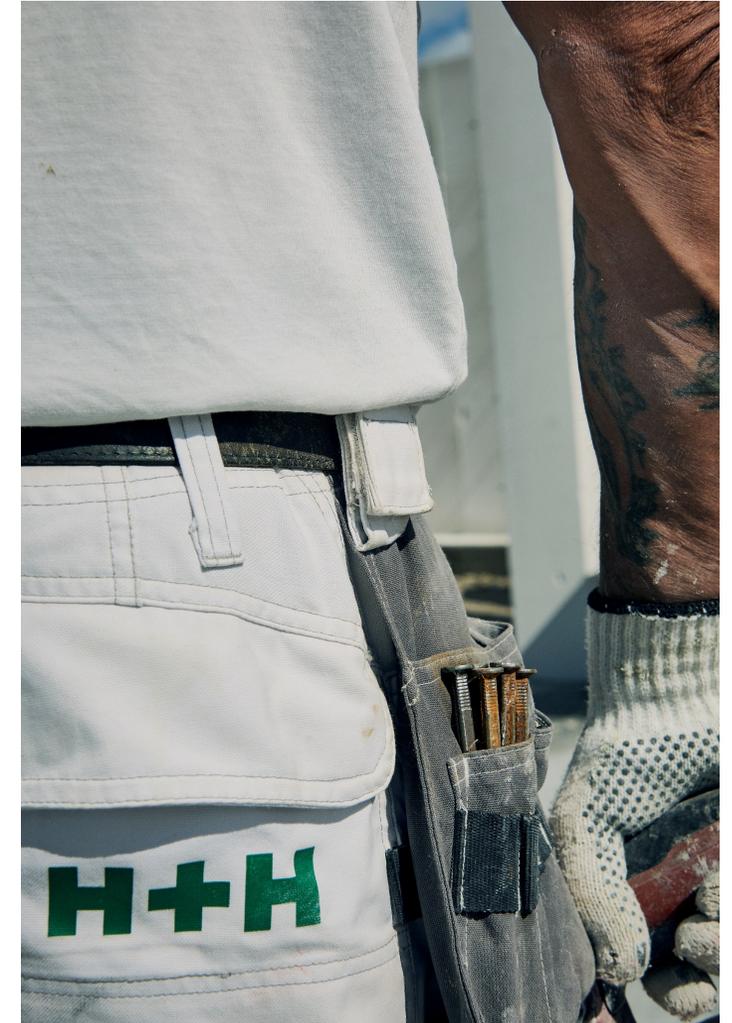
440 to 470

(Previously 440 to 520)

DKKm

Specific assumptions:

- Exchange rates, primarily the British pound ("GBP"), the euro ("EUR") and the Polish zloty ("PLN"), are expected to remain at November 2022 levels.
- Costs of energy costs and raw materials are expected to remain at current levels.





Questions and answers

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