H+H International A/S
Q4/FY 2022 Financial results

H+H
PARTNERS IN WALL BUILDING

Introduction

Contents

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 1,700 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.

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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.

Full-year 2022: Strong start to the year secured best result ever while market dynamics changed in the second half of the year

Selected financial figures

Figures in DKKm unless otherwise stated. Full-year 2021 figures in brackets

Organic growth	Gross margin(1)	EBIT margin(1)
14%	28%	13%
(13%)	(30%)	(14%)

Return on Invested Capital	Free cash flow	Financial gearing(2)
19%	61	0.7x
(20%)	(27)	(0.6x)

(1) Before special items (2) Net interest-bearing debt to EBITDA before special items ratio

New CSU factory in Reda, Poland

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Sustainability highlights

During 2022, we executed on our plans to meet our ESG commitments.
The results show a positive development towards our targets.

Results 2022

Steady safety performance

3.6

Lost-Time Incident Frequency (LTIF) versus a target of 5.

Reduced carbon emissions

5%

lower Scope 1 and 2 emissions compared to our Science Based target.

Lower water usage

3%

reduction in water intensity versus 2019 base year.

Long-term targets

H+H has carbon reduction targets verified and approved by the SBTi

1.5°C

We are on track in reducing our own emissions in line with the 1.5-degree scenario in the Paris Agreement.

Net-zero by

2050

We are committed to achieving net-zero emissions in our operations and products by 2050.

UN Global Compact

Sustainable Development Goals (SDGs)

Our products support SDG-11 (Sustainable cities and communities) and SDG-12 (Responsible consumption and production).

Central Western Europe: Operating with a stronger factory network

Market conditions and trends

Germany:

- Strong newbuild activity in H1 of 2022
- Higher market uncertainty in H2 driven by high inflation, risk of energy supply and rising interest rates
- Market data of building permits showing a 13% decline year on year
- Long-term need for affordable + sustainable housing persists and drives need for more rental housing

Nordics:

- Towards end of 2022 building activity started to decline
- Latest economic analyses point to a more negative outlook for the residential newbuild in 2023

H+H CWE

- Upgrade of our Wittenborn factory completed in 2022, resulting in higher efficiency and more reliable output to serve our customers with high quality AAC products in Northern Germany and Nordics
- Ramp-up of the newly acquired Feuchtwangen plant completed to serve Southern Germany
- Further cost increases expected which are passed through to the market
- Cost savings programme being implemented

Wittenborn, Germany

The United Kingdom: Historic undersupply offers an opportunity in high inflation market

Market conditions and trends

- High demand in residential newbuild throughout 2022
- High inflation and increased market uncertainty led to lower demand for housing in 2H
- Market data for 2023 suggest a downturn of 10-15%
- Spring season will indicate where the market is going in 2023
- Long-term positive view on housing demand

H+H United Kingdom

- Historic undersupply to customer demand might turn into a favorable position for us to serve the market in 2023
- Further cost increases expected to be passed through to the market
- Cost discipline
- Capacity increase at our Borough Green factory during 2023 adding 10% more volume to total UK capacity

AAC factory in Pollington, UK

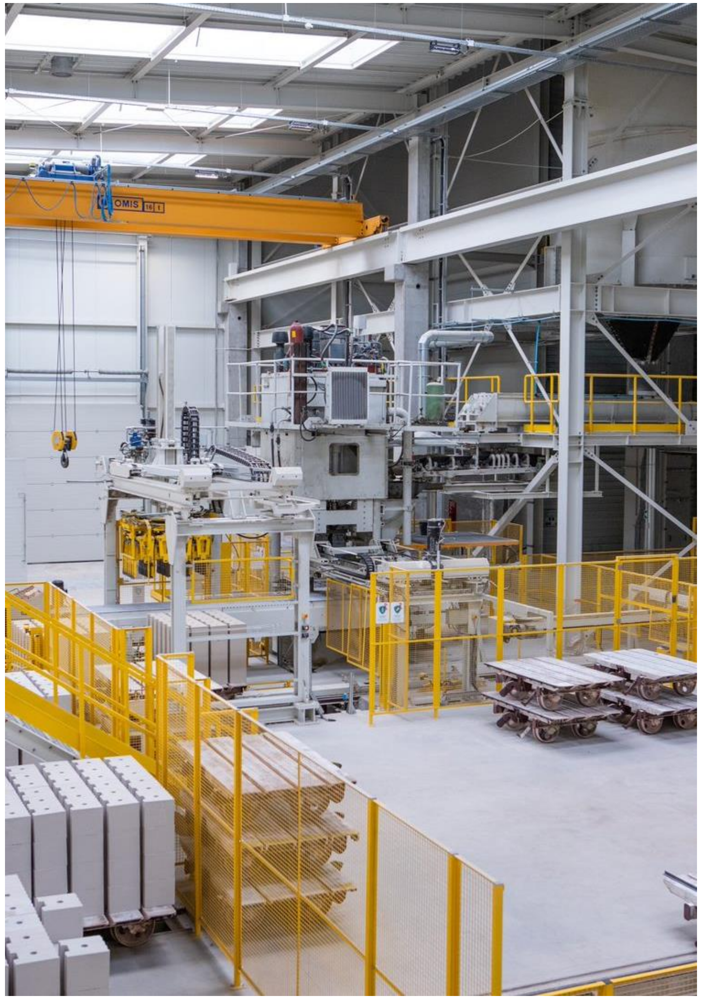
Poland: High uncertainty impacts construction starts in newbuild

Market conditions and trends

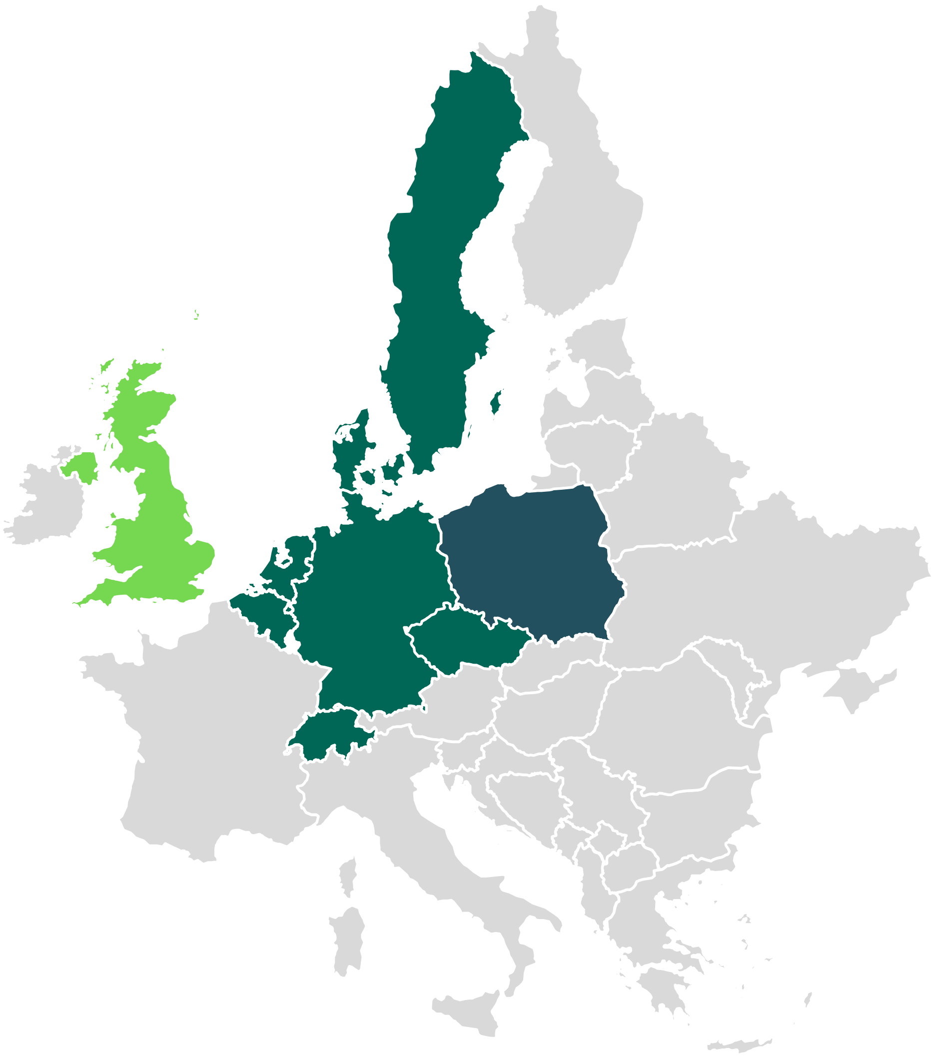
- Polish purchasing power significantly lower influencing investment decisions
- Dwelling starts have decreased by approximately 28% year on year. Building permits down 13% same period.
- Long-term shortage of housing, potentially accelerated by the great number of refugees from Ukraine

H+H Poland

- New CSU factory in Northern part of Poland completed in 2022. With a capacity of up to 60,000 m3 it will serve the Polish Tri-City area around Gdansk now with both: high quality CSU and AAC from our existing plant
- Specific resilience actions to mitigate impacts from a potential continued declining market demand implemented. These measures include shift reductions including temporary close down of plants
- Further cost increases expected expected to be passed through to the market
- Cost discipline



New CSU factory in Reda, Poland

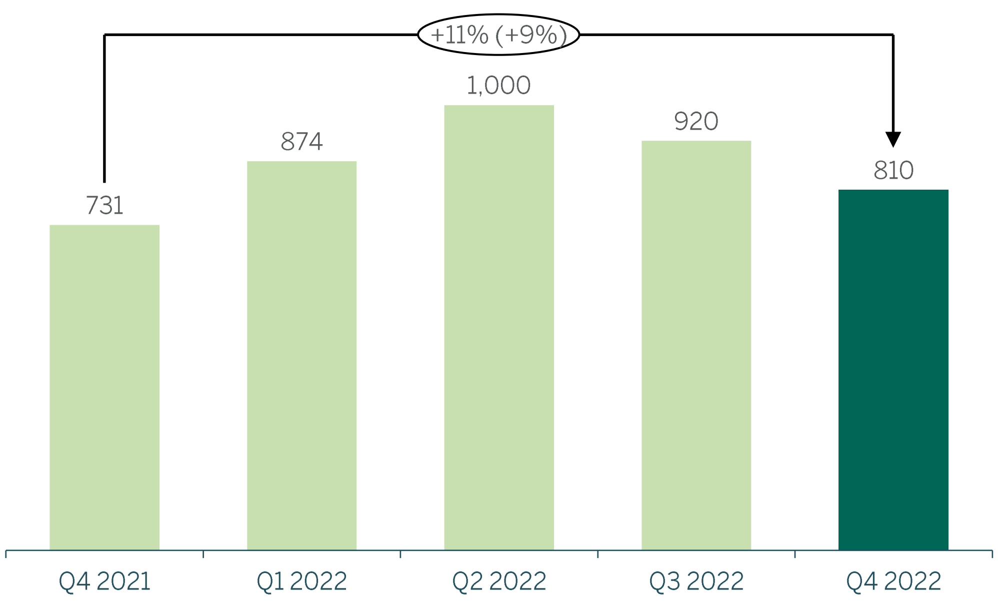


Long-term profitable growth opportunities

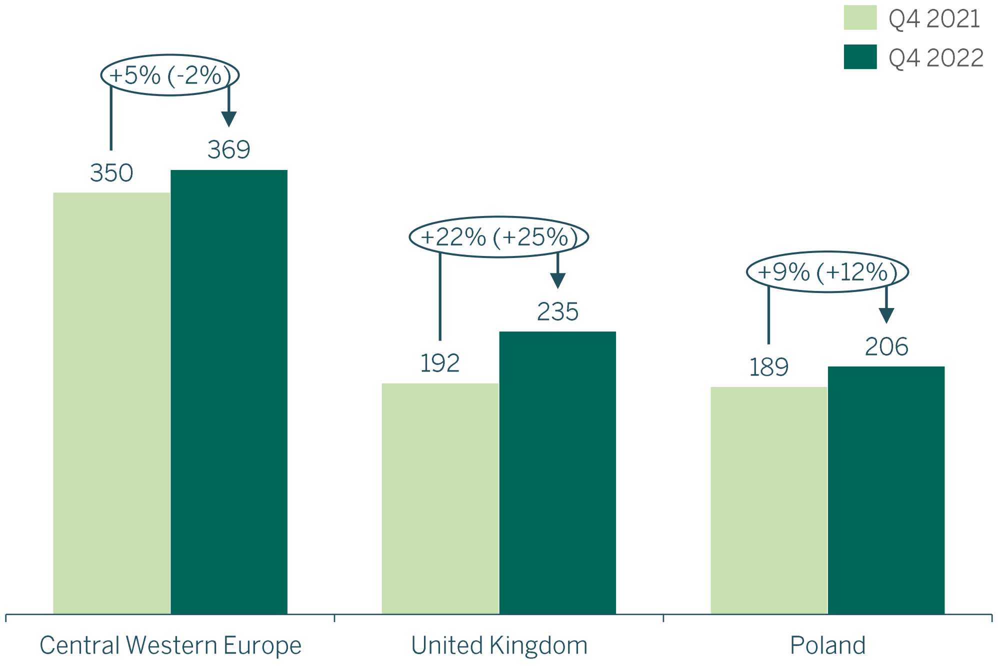
	Current product portfolio		
	Aircrete	Calcium silicate	Other wall-building materials
Central Western Europe	Continuously build a stronger market position in the huge German wall building market and adjacent markets through improved and standardized operations after recent years' acquisitions and also further M&A		Explore profitable and synergetic M&A opportunities within new product segments to further complement the value proposition of "Partners in wall building"
The United Kingdom	Develop our market-leading position through plant improvements and investments in new capacity		
Poland	Further strengthen our leading position and resilience through continuous plant improvements, network design and potentially further M&A		
Other geographies	Explore M&A opportunities in adjacent countries and integrate those into our standardized network of plants given a potential market-leading position		

Q4 revenue driven by the continued implementation of sales price increases to offset inflationary pressure

Consolidated revenue by quarter
DKKm. Bubbles show revenue growth (organic growth)



Quarterly revenue by region
DKKm. Bubbles show revenue growth (organic growth)



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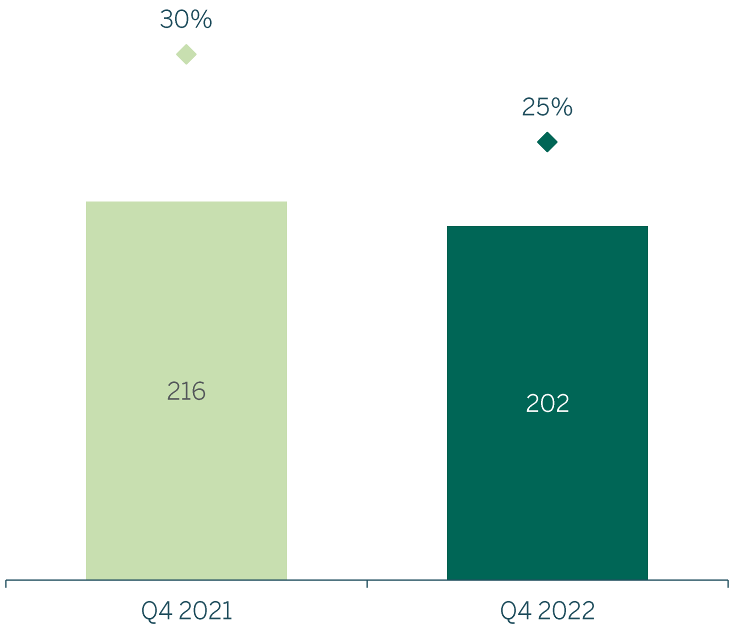
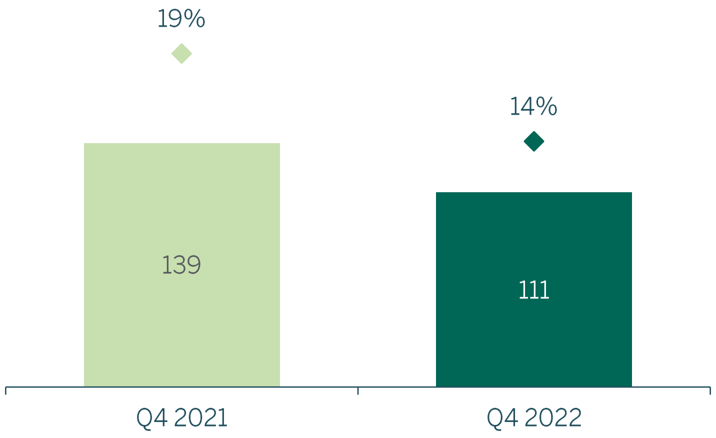
Margins under pressure in Q4 2022 primarily driven by a slow down in Poland and production costs

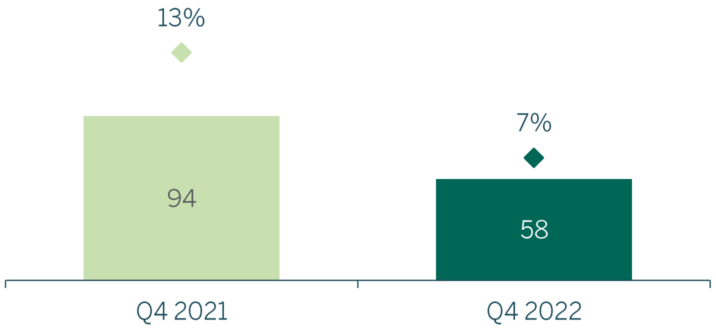
Gross profit and gross margin
DKKm and percent, respectively



EBITDA and EBITDA margin
DKKm and percent, respectively



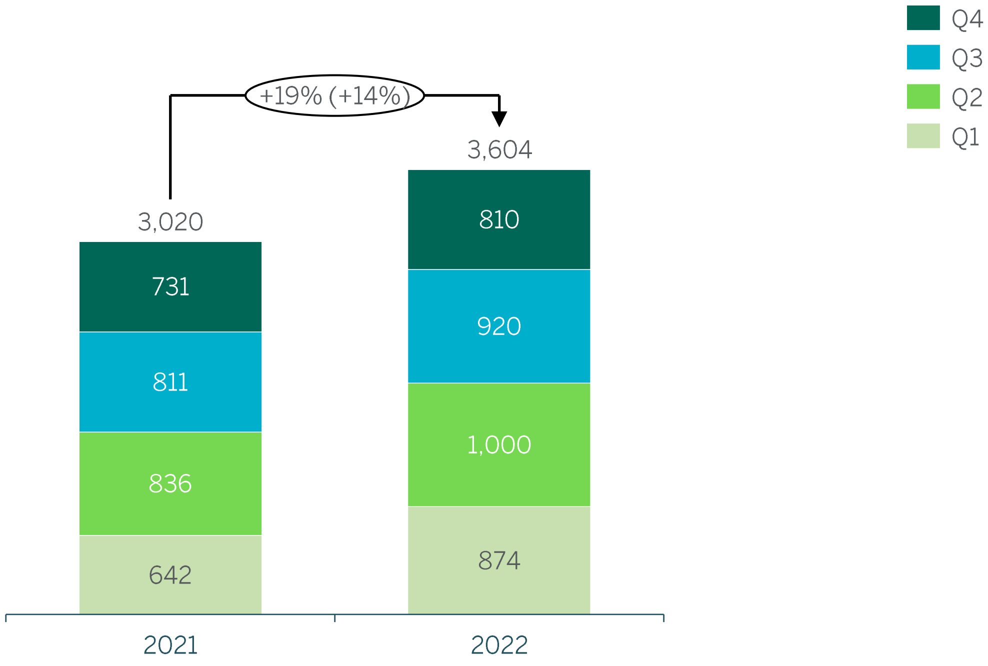
EBIT and EBIT margin
DKKm and percent, respectively



Note: All figures are before special items

Strong start contributes to solid revenue growth across all regions for full-year 2022

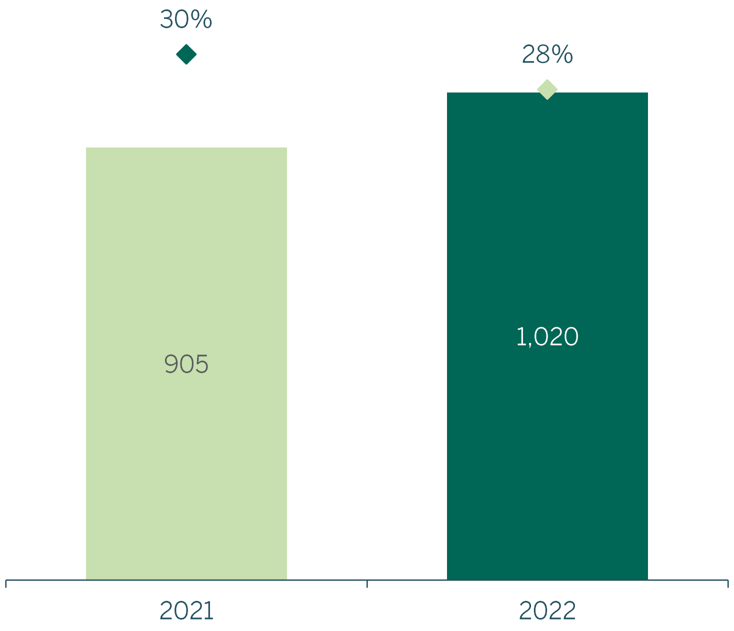
Revenue growth
DKKm. Bubbles show revenue growth (organic growth)



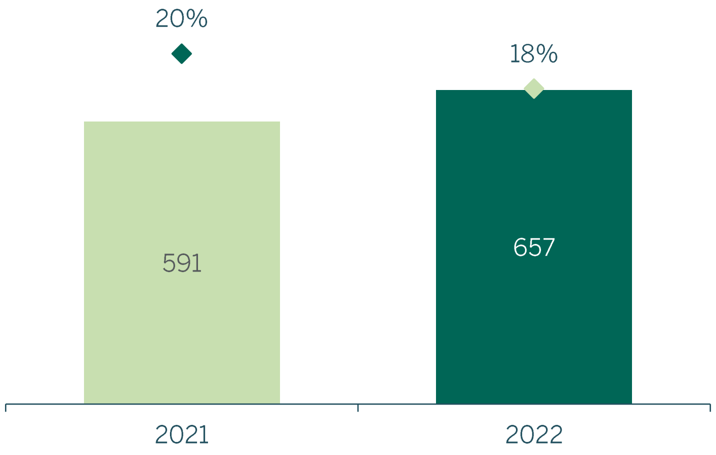
Revenue by region
DKKm. Bubbles show revenue growth (organic growth)

Firm pricing discipline and procurement efforts helped offset negative margin impact from inflation

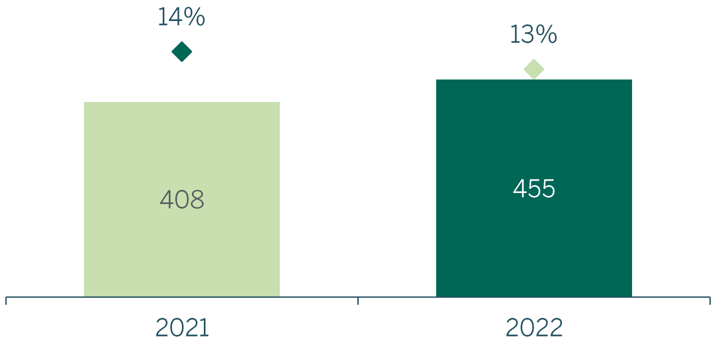
Gross profit and gross margin
DKKm and percent, respectively



EBITDA and EBITDA margin
DKKm and percent, respectively



EBIT and EBIT margin
DKKm and percent, respectively



Note: All figures are before special items

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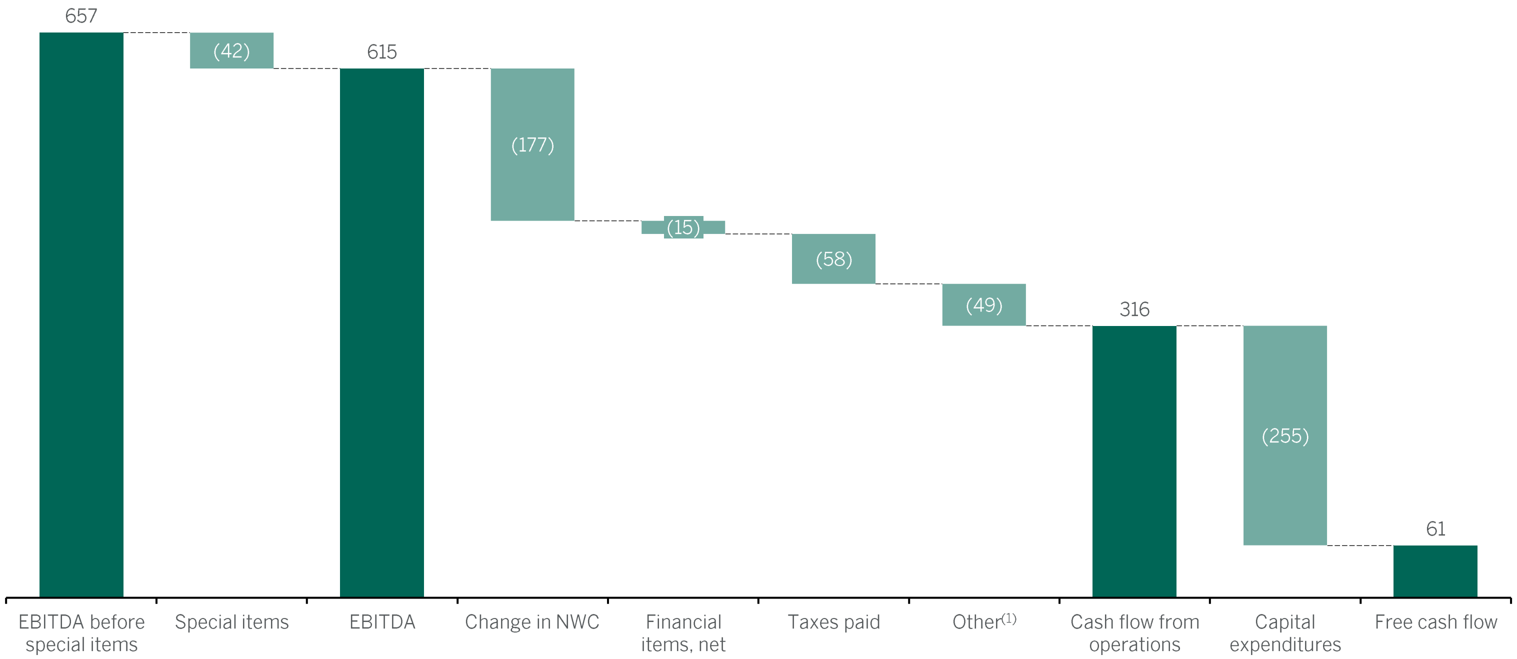
Cash-flow generation negatively affected by inventory build-up in Q4 primarily in Poland

Free cash flow, excl. acquisitions and divestments
DKKm



(1) 'Other' comprises gain and loss on disposal of property, plant and equipment, write-downs, change in provisions and pension contribution and other adjustments with non-cash effects

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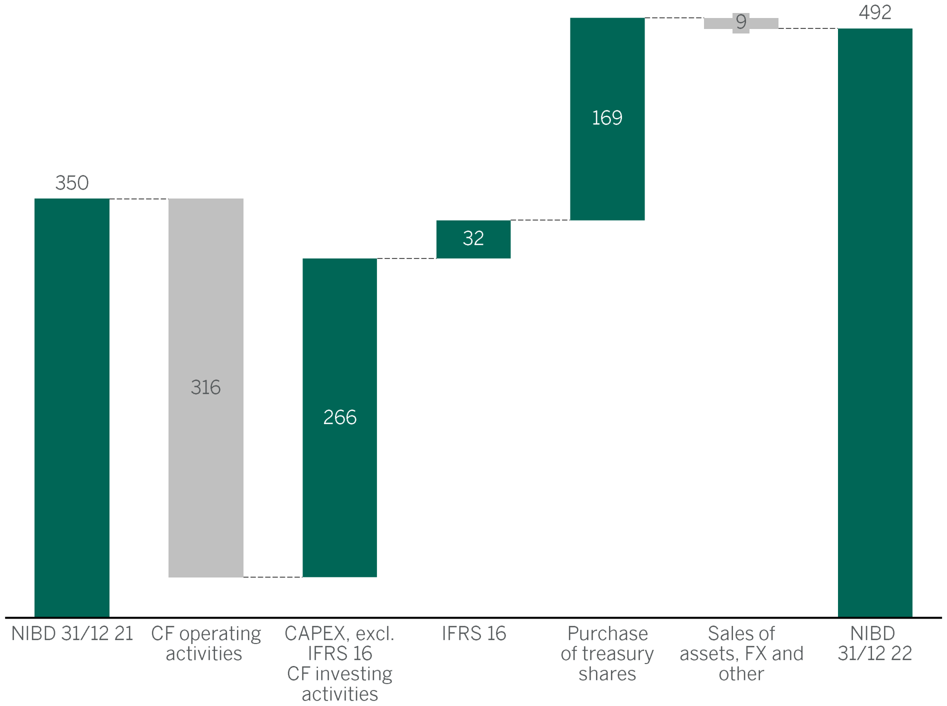
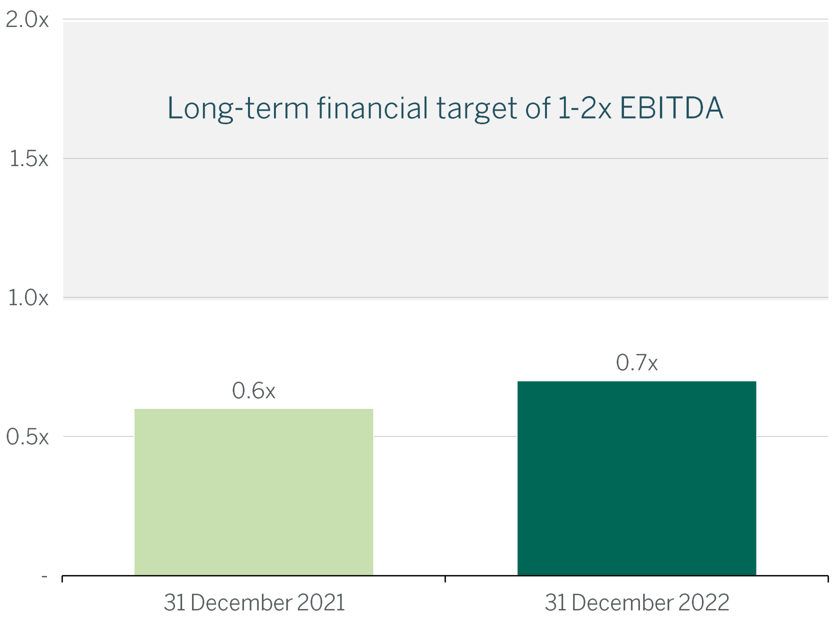
Increase in interest-bearing debt driven by capital expenditures and the purchase of treasury shares - Financial gearing remains below H+H´s long-term target

Net interest-bearing debt (“NIBD”)
DKKm



Financial gearing
Net interest-bearing debt to EBITDA before special items



(1) Of the total net interest-bearing debt, lease liabilities amounted to DKK 108 million as of 31 December 2022

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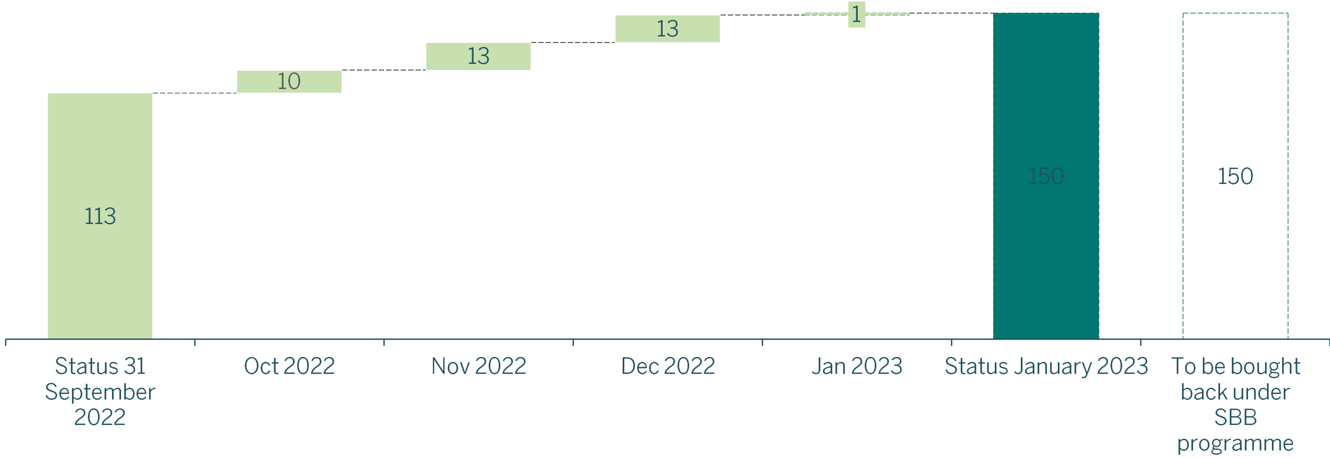
DKK 150 million share buy-back programme concluded

- As of 3 January 2023, a total of 1,118,800 shares, corresponding to 6.4% of the total share capital in H+H, had been bought back under the programme for a total purchase price of DKK 150 million.
- It is expected that any shares bought back under the programme, which are not used to meet obligations relating to the Company's share-based incentive programme, will be proposed cancelled at the Annual General Meeting in 2023.
- For the time being, H+H expects to use the free cash flow to develop the existing business and pursue value-adding investments within the debt gearing indicated.

Total price for repurchased shares, monthly

DKKm



Financial outlook for the full year 2023

After recent years of high activity in the building industry, building permits are currently declining across our markets. We expect this to impact market demand in combination with continuing high input cost pressure.

Revenue growth	EBIT before special items
~0%	330 to 400m

Specific assumptions:

- Sales volumes expected to decrease around **10-15%** in aggregate mainly driven by Poland
- Further cost increases in 2023 expected, which are passed on through sales price increases
- Exchange rates, primarily GBP, EUR and PLN remain at end-February 2023 levels

Full year 2022 delivered strong results but market dynamics are changing and impact future growth and earnings

Strongest-ever full year results driven by high market activity in the first part of the year and successful implementation of sales-price increases secured growth in 2022.

H+H has initiated specific **resilience actions** to mitigate impacts from a declining market demand. Lower volume growth of 10-15% is expected to impact margins.

In 2022, we made targeted upgrades in our factory network, and we continue to **improve our operations through continuous improvement initiatives, maintenance investments and strategic investments.**

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 to build further resilience and will continue to optimise our UK footprint, including an **expansion of production capacity in Borough Green**, to maintain our market-leading position in the country.

Questions and answers

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